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FINANCIAL TIMES

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News Summary

China in UN: cautious world weighing effects

After the drama of the vote in which the U.S. lost its bid to keep "two Chinas" at the UN, the rest of the world was left cautiously weighing the effects of Peking's entry to the world assembly.

The vote on China's admission was taken in the General Assembly at 4 a.m. London time yesterday. The U.S. first lost an "important question" resolution that the admission of China should be decided by a two-thirds majority. With this vote going 69-70 in abstentions, the Chinese resolution to admit and expel Taiwan was won by more than two-thirds.

Support

Britain, Russia, France, India, Pakistan all supported the Chinese resolution, leaving the U.S. and a number of other States mostly from Asia and Central America to support the U.S. company against the vote.

Mr. Mao Tse-tung's speech, with 700m. people, was aimed in place of Chiang Kai-shek's Taiwan whose population is about 15m. people.

There was no immediate reaction from Peking as a cable was sent to the UN acknowledging the admission. And at a reception in the Chinese capital the effect of being on the losing side of the vote could place the PRC in a more difficult position.

Defeat for U.S. Page 9; Editorial comment, Page 22

Business

Jennedy rebuked by Heath

Senator Edward Kennedy yesterday condemned the "ignorant outburst" of U.S. Secretary of State William French Smith in his demand that the U.S. should withdraw from Vietnam.

He said that Kennedy's statement was "irresponsible and unbecomingly ignorant" and that it was time to "re-examine our own conscience".

Equities rally

LONDON EQUITIES rallied in the absence of fresh selling. The index ended 3.3 up at 405.9 though the overall ratio was a fall-to-rise 7.5. Gilt, 51-point rise and ended 3.14 down at 845.36.

ROLLS-ROYCE MOTORS will be taken over by the British Aerospace Group, Mr. Ian Fraser has announced. Mr. Fraser has joined the Board; he will succeed Dr. F. Llewellyn Smith as chairman of the company.

Trafalgar bids for Limer

TRAFFALGAR HOUSE has made an agreed £7.7m. counter-bid of 60p a share for Limer Holdings, nearly double the current price of 30p.

Mr. Fraser next April will be the chairman of the company, which he is director of. Limer is a company managing director of Lazard Brothers, merchant bankers. His appointment to the chair of Rolls-Royce Motors is significant in view of its probable market flotation in 1973.

Airport employees at London (Heathrow) threaten a walk-out today over a driver sent home because he would not work with another driver who refused to observe a work-to-rule. British Airports Authority says services are not likely to be affected.

Pilkington Brothers and Australian Consolidated Industries are joining forces to build a £3m. flat and safety glass plant at Dandenong, Victoria.

HARRISONS AND CROSSFIELD pays a 20 per cent. final dividend of 25p (201); a one-for-ten scrip issue is proposed. Pre-tax profit, £4.04m. (£3.53m.), includes £200,000 profit (net) on long-term investments. Page 26; Lex

PRICE CHANGES

Kellogg's	101	0
Lloyds Bank	132	0
Midland Elect.	110	16
Minet Hides	342	22
Pullman (R. & J.)	109	12
Robinson (G. A.)	50	61
Stirling (G. F.)	328	7
Wood Sawto	124	8
Shell Transport	134	0
Longbourne	164	8
Possidon	670	30
Allen (Edgar)	257	20
Allied Irish Bank	485	10
Costain (R.)	198	6

Jenkins rejects call by MPs not to vote for entry

BY JOHN BOURNE AND RICHARD EVANS

Mr. Roy Jenkins, deputy leader of the Labour Party, last night firmly but politely resisted pressure from well over 100 Members of the Parliamentary Labour Party to persuade him to vote in the Government lobby to-morrow to support the EEC.

Mr. Jenkins had also asked Mr. Jenkins to persuade the Labour Party to vote in the Government lobby to-morrow to support the EEC.

Warning

The letter Mr. Jenkins was answering argued that the Labour Party is more important than any of us. It warned him that the damage which your vote may well do to the nation and to the Labour Party by helping to sustain in office "the worst Conservative Government for decades".

Criticism

He added that the timing of the letter was designed to give Mr. Jenkins an opportunity to reconsider his position without being rushed, and at the same time to let members of the Labour Party throughout the country know that this initiative had been taken by a large number of their MPs.

Barber encouraged by slow-down in price rises

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. ANTHONY BARBER, the Chancellor, said yesterday that the economic measures taken by the Government since July appeared to be "succeeding in moderating the rise in prices".

During question-time in the Commons, Mr. Barber maintained that Britain was now much better placed than for many years to embark on a period of economic growth which could be sustained.

Tax cuts

From the Tory backbenches Mr. Barber was asked if the prospects foreseen by the Government would make a further cut in taxation possible along with increases in other social benefits.

Mr. Barber said that the Government was not yet in a position to say whether or not a further cut in taxation was possible.

Ship orders lowest for four years

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE INFLOW of new merchant ship orders to British shipyards in the third quarter of this year was the lowest for over four years.

According to the Shipbuilders and Repairers' National Association, the 11 ships of 127,500 gross tons booked between July and September were the smallest intake of new work since the second quarter of 1967, when only 48,700 gross tons were booked.

West Wit.	495	20
Whim Creek	145	10
U.K. DAILY STOCK INDICES		
FT-INDICES		
Industrial Group	145.7	146.2
500 Share	130.5	131.0
Div. yield pc	3.85	3.70
P/E Ratio	17.8	17.5
All Share	176.2	176.3
Consolidated	8.59	8.51
FINANCIAL TIMES		
Cov. Sec.	70.12	70.27
Fixed Interest	70.20	70.21
Industrial Ord.	62.50	62.50
Gold Mines	63.50	63.50

Britten-Norman: activities to go on

By Michael Donne, Aerospace Correspondent

MR. MAURICE ECKMAN, the receiver of Britten-Norman (the Isle of Wight aircraft manufacturer), having made his initial appraisal of the situation, "is allowing the activities of the company to continue," with a view to selling the assets as a going concern.

This was stated last night after Mr. Eckman had paid a flying visit to the Bembridge works. The statement said that the receiver "hopes to carry on the manufacture, sales and servicing of aircraft and spares, and is entering into negotiations with various parties who have expressed interest in purchasing the business."

Redundant

Mr. Eckman also said that, following some redundancies at the company some two months ago, he was making further redundancies of 88 to bring the workforce down to 200. This would enable the receiver to carry out his programme on a more economic basis.

Mr. Eckman, of Price Waterhouse, was appointed receiver of Britten-Norman last week, following a decision by Exporters' Refinance Corporation to recall loans of up to £2.8m.

Shopkeepers in Breakaway

DIFFERING views on future car parking requirements in the centre of Nottingham have prompted some shopkeepers in Nottingham Chamber of Commerce and Industry to plan a "breakaway" association.

Three prominent members of the Chamber have formed a nucleus for a new association. They are Marks and Spencer; Jessops; of the John Lewis Partnership; and Griffin and Sons.

Floating £

	£	% change
U.S. \$	2.49	+3.1
Can. \$	1.49	+3.1
Sw. Kr.	1.36	+3.1
Belg. Fr.	116.37	+3.1
D-Mark	8.30	+3.1
French Fr.	13.77	+3.1
Sw. Kron.	8.21	+3.1
Sw. Kron.	9.92	+3.1

New York close

	Oct 26	Previous
Nov. York Stock	2,489.44	2,482.42
11 month 100% 15yr Govt	104.04	104.04
11 month 100% 15yr Govt	104.04	104.04
11 month 100% 15yr Govt	104.04	104.04

U.S. hints at flexibility on surcharge

BY GUY DE JONQUIERES

WHILE continuing to maintain publicly that it has set no time limit for the duration of the 10 per cent. import surcharge, the Nixon Administration is now putting it about privately that it might be possible to remove the measure—perhaps on a selective basis—by the end of this year.

This was suggested by a senior American monetary representative at a closed-door meeting of influential businessmen in Washington last week. The meeting was one of several arranged by the Administration recently to communicate top-level official thinking on trade and monetary problems to the business community.

Better outlook

In reaching this conclusion, he drew a considerably brighter picture of the progress towards an international solution of the monetary crisis than that which emerged from the Group of Ten deputies' meeting in Paris last week.

But he also left his audience with the impression that the U.S. is prepared to adjust its negotiating position, and that there is no prospect of a multi-lateral package being agreed upon by the end of this year.

Clear tactic

The U.S. has also been coming under growing pressure from Canada for an individual exemption. In a clear tactic of trade negotiations, the Canadian Government recently postponed indefinitely its participation in the bilateral talks on a joint energy policy.

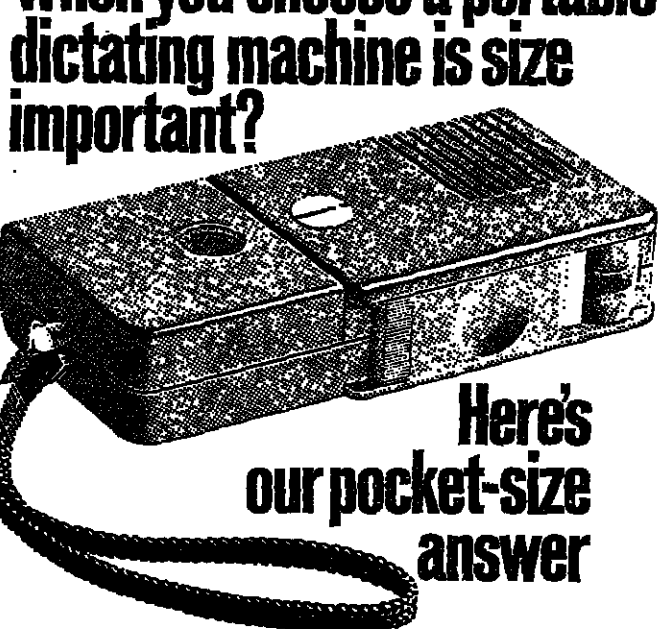
This is important to the U.S. because, with Alaskan oil fields still not operating, Canada represents the closest source of foreign energy resources to U.S. territory. It is generally agreed that well before the end of this century a sizeable proportion of U.S. energy needs will have to be supplied from outside sources.

Money crisis needs world solution Back Page

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 - A cassette that gives you up to 20 minutes dictating? *yes/no*
 - A high-speed reversing action? *yes/no*
 - Perfect tonal quality at all volumes? *yes/no*
 - An acoustic warning that you're coming to the end of the tape? *yes/no*
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Arts, Cambridge

Trelawney
of the Wells

by JEREMY KINGSTON

Even when Pinner's play was first produced (in 1968) it was "period" looking back with a year, just slightly wistful eye to the London of 30 years earlier, when actors were scorned as "gipsies" by Society and the plays they appeared in were rubbish.

Young Rose Trelawney, adored actress in an old-fashioned troupe of actors, falls in love with a young swell and is grudgingly invited to stay in approval with his family in Cavendish Square. The code of correct behaviour in this house, rigidly enforced by Vice-Chancellor Sir William Gower, Kt. and Great-Aunt Trafalgar Gower, so crushes Rose's spirits that she runs back to her theatrical comrades. But after her return in the outside "real" world—even a world so fearsome as Cavendish Square—she can no longer believe in the fustian parts she has to act. She is no longer any good in the old plays. She is dismissed.

Coupled with this story is the struggle of one of the minor actors of the company to interest producers in a new style of play: simpler and free of the false devices of the prevailing drama. Pinner based his Tom Wrench on Tom Robertson, who successfully brought naturalism into the theatre, with Coste, his best known play, while Pinner was writing *Peer Gynt*. At the end he lovers are reunited during the rehearsals of Tom's play, which old Sir William has put in the money.

Harry James

by KEVIN HENRIQUES

Yes, believe it or not, the Harry James at present on a three-week tour of Britain is the same Harry James who, over 30 years ago, made his name as a member of easy Goodman's trumpet section, the same man who left to join his own band in which he found young man, Francis Herbert Sinatra, had his first big break, the same Harry James who later became world-known for his "straight" virtuoso performance of such ditties as "The Light of the Bumble Bee" and "You Made Me Love You," who married glamorous Betty Grable who in recent years has been adding a bristling big band playing crisp arrangements by such talents as Ernie Wilkins, Manny May and Billy May, the same man who, despite the numerous believing reactions heard in the past few days, is still only 55.



London appearances, at the Festival Hall last Saturday at Ronnie Scott's Club a previously confirmed that James is in no way older than he is as far as both his playing and his band are concerned. His technique enables him to play with incredible accuracy and consistency. He can play a robust solo, as on his own trumpet *Blues and Cantabile*, or bring an almost cloying sweetness to "Sleepy Lagoon," powerfully leads a powerful band which is a superbly disciplined, dynamic (in every sense of the word) unit propelled unerringly by the whippet-like of Sonny Payne (surely of the greatest band drummers around).

Through James admits to dying widespread demand, nostalgia has no "ghost" playing the tunes of yesteryear in the style of yesteryear. He includes a brief medley of hits but his version of *Redo Junction* has little in common with Glenn Miller's and likewise his version of *Elgin* is in rhythm. The really shows its rippling, though, in such up-to-

sends physical chills through the body with its searing attack. Indeed Harry James is alive and well and blowing in Britain next Monday when he ends his tour at Croydon, where he will, to judge by his reception at both the Festival Hall and the Scott Club, will be a heady high note of triumph.

Even a Longford could hardly have identified a trace of salacity or depravity in the effect and reception of the films. The reaction had nothing in common with the characteristic rustling silence of stag movie houses or the ribaldry of blue-rich entertainment. Vocal approval or otherwise seemed related to the aesthetic rather than the erotic content of the films.

And this year (unlike last year's Festival, according to those who were there) you could

Television

Degrees of distress

by T. C. WORSLEY



The retriever and the irretrievable... Barbara Jefford (above) as Josie, the social worker, and Patricia Hayes in the title role of "Edna, the Inebriate Woman" (BBC's Play for Today)

Fashion in the arts being what it is, and the intellectuals and art-fanciers being as any other section of the community, Jeremy Sandford's play in the *Play for Today* series, *Edna, the Inebriate Woman*, was bound to be widely over-praised. It combines several elements of what are now considered the essential ingredients of success. It is a paralytically gloomy and unrelievedly sordid; it indicates the bourgeoisie for not caring; it is shapeless, undramatic and comes within no sensible definition of a play.

Its author, Jeremy Sandford, was the writer involved in that highly provocative and effective tract, *Cathy, Come Home*. But this, it will be remembered, was an occasion when the writer was the least important factor in the equation. What gave *Cathy, Come Home* its special impact was the application to its script of the Loach-Garnett treatment—that extraordinarily vivid and exciting handling which gave its subjects the raw, angry look of battered life itself. But brilliant though this was, it was widely admitted that it did not quite disguise a major flaw in the text, namely that all the disasters that could be heaped on the various categories of the homeless were here: heaped on one single couple, and this distracted from the play's veracity.

Mr. Sandford repeats this error here. Every conceivable humiliation, rejection, kindness that such poor devils as Edna would endure were heaped on Edna to an improbable degree. Mr. Sandford is obviously a patient and hardworking researcher. He has gone to the greatest possible trouble to discover the experiences such people undergo, and has then strung them all together in a long chain of misery, and hung them round poor Edna's neck. Doss-houses of all kinds, lodging houses, the high road, bomb-site fires, barns, the Em-bankment, prison, Salvation Army hostels, mental hospitals, public school treatment and finally eviction—Edna goes through the whole gamut.

This in itself strikes us as unlikely, and anything the least unlikely is the enemy of this kind of propaganda. Ted Kotcheff's kaleidoscopic pace and movement which would help to disguise this. But it was always sensitive and veracious and I believed what he showed me scene by scene. What I never believed was anything that Edna could either be treated or to others. Mr. Sandford hasn't the dramaticist's gift of credible dialogue—some (as for instance Edna's

thesis and embarks with enthusiasm on personal investigation, is followed out with a good deal of wit and a genuine concern to create believable characters. One of last year's prize-winners, *Groupie* revealed an authentic creative fantasy; and demonstrated the odd phenomenon that the comparatively rare films of homo-eroticism generally demonstrate markedly greater tenderness and affection, leading in consequence to be more erotic and less pornographic.

Eroticism, however, is a field where private art is generally more original and rewarding than commercial product; and it certainly seemed that a very considerable percentage of the individual and independent directors competing in the festival approach eroticism as an interesting and legitimate art form. The main money prize went to Peter de Rome, an English director working in America, for *Hot Pants*, an onanistic solo ballet performed by a young Negro. Shot on 8mm., with the kind of simplicity that demands much skill and precision, this is an elevated celebration of sex which goes altogether beyond any notion of pornography, and indicates that de Rome is a film-maker of substantial gifts.

The erotic content also is sympathetic approach to a young girl in the mental hospital) was proved just the opposite. Everything he showed us seemed to me to point to the fact that the condition of these poor wretches is, quite simply, irretrievable. Those who won't be helped, can't be helped.

His pet solution of a small hostel run by a saint is surely a fond delusion itself. Not only are there not enough saints to go round, but didn't everything he showed us about the Edna demonstrate that they wouldn't be able to stick even that minimum of self-discipline necessary for even the most indulgent St. Saviour? Sooner or later, and probably sooner, she would up and out.

The conclusion I drew from *Edna the Inebriate Woman* was that we are still, in spite of all the horrors our century has seen, indulging in that sad and dangerous illusion about the perfectibility of man. At the back of our thinking in these areas is the delusion that one day common lodging houses, too, will be staffed by beautifully compassionate people, that one day we shall all be saints. And I was left wondering at the end whether perhaps some real advance won't be made only when we have dropped this childish belief and reverted to the starker realism of earlier moralities, which accepted evil as an irreversible factor in the human condition.

Of the other current dramatic offerings I have kept my eye on

The Search for the Nile. And am prepared to admit that I was rather harsh to it on its first, and this was never made convincing. As for the plot, which finally destroyed the Mad Monk, it seemed to grow out of nowhere. One minute the handsome young Prince Yussupov was allowing himself to be founded in Rasputin's bed; the next without explanation, he was stuffing him with poisoned cakes, and shooting him in the back.

Mr. Eyre totally failed to solve the prime problem of this sort of play, the problem of language. Nor did he, for me, throw any sort of light on this extraordinary phenomenon. There wasn't so it seemed to me, one glimmer of real insight or of historic truth in the whole thing. It was all play-acting, the kind of play-acting which can be rather fun if you don't take it too seriously and can smile indulgently at the shameless extravagances of bad acting that this produces.

Real pleasure came with the first of a three-part Francis Durbridge thriller which at last brings an hour worth watching on Saturday night. If *The Passenger* hasn't quite the classic simplicity and ease of *The World of Tom Fraser*, it is, all the same, infinitely superior to most things we see, and for the next two Saturdays all invitations will have to be refused.

What, finally, are we to say of that preposterous extravaganza, *Rasputin*, which was the Play of the Month on Sunday? I was astonished to see that it was a Cantic Messing-Alan Cooke production. From this team we are accustomed to productions marked by their balance and tact, by their sensitive treatment of literary values and historic truth. But here they had thrown their caps over the copulas, unbuttoned their shirts and let things simply rip. Hardly ever have I seen in this sort of slot such disgracefully hammed-up performances, such blatant exhibitionism and histrionic indulgence—the very last thing I should have expected this team to allow or to encourage!

At least it can be said for it that it wasn't boring, that it had a sort of coarse vigour that carried one along, even if one was carried protesting all the way. As a picture of life as it was lived in the Imperial and Princely households of the 1900s, it was surely ludicrous. How the Romanovs addressed each other when en famille, I don't pretend to know; but I'm pretty certain it wasn't in this carpet-slipped language; and I'm quite confident that the Tsar and his family would not, under any circumstances, refer to her as "Silly cow." I am sure that in the Princely palaces when there was a knock on the front door the Prince didn't go down to open it himself.

Ronald Eyre's Rasputin was a flamboyant, drunken lecher,

Festival Hall

LSO

by JEREMY NOBLE

An attractive mixture of familiar and unfamiliar in the programme, and a starry team of soloists, brought an exceptionally large audience to the Festival Hall on Monday for the London Symphony Orchestra's concert under their conductor, Andre Previn. It began with a relatively rare Haydn symphony, No. 67 in F—one of those middle-period works that tends to get ignored, lacking both the Sturm und Drang of its predecessors and the grandeur of the London sets.

Not that it lacks originality—far from it—but it is original in a deliberately unassuming kind. For example, the way in which the first movement starts like the lightest of fanfares, only to reveal its full stature bit by bit. The second movement, incidentally, which the music fully justifies, while the finale starts like a first movement only to give way to an unexpectedly long adagio section in which the orchestra produces a character. But it is the slow movement, unusually tender and serene-like for Haydn, that is the heart of this symphony; Mr. Previn and his orchestra introduced in numbers for this work) deftly over-laden about it. No doubt many of the audience were waiting for the next item, a Beethoven's *Rhapsody* on the Theme by Paganini with Vladimir Ashkenazy as soloist. And no wonder: the piece deserves its popularity for its effortlessly fluent invention, and Mr. Ashkenazy is a magnificent pianist. Yet on Monday, though his playing was as immaculate as ever, he seemed to bring an alien tension to the work. Mainly this was a matter of tempo. The initial *allegro vivo* was taken so fast that the brief ritemen in the sixth variation seemed more like causes for breath than music. This is a possible reading; it must be said: a touch of franticness certainly gives extra point to the arrival of the *Dies Irae* time. But it is also possible to feel that the music's throw away elegance and ironic wit are better served by a performance more Olympian, less of a challenge to Mr. Ashkenazy's interpretation, revealing even at these tempi more detail than one usually hears.

They can hardly be blamed if some of the detail in Nicholas Maw's *Scenes and Arias* failed to emerge. This is an impressive score that fully deserves—in fact demands—the expert performance that it got from the soloists. As a group rather than individuals, were Sheila Armstrong, Anne Howells and Helen Previn and orchestra (re-writes. But in the long run it seems to be a self-playing itself with style and warmth. No doubt many of the audience were waiting for the next item, a Beethoven's *Rhapsody* on the Theme by Paganini with Vladimir Ashkenazy as soloist. And no wonder: the piece deserves its popularity for its effortlessly fluent invention, and Mr. Ashkenazy is a magnificent pianist. Yet on Monday, though his playing was as immaculate as ever, he seemed to bring an alien tension to the work. Mainly this was a matter of tempo. The initial *allegro vivo* was taken so fast that the brief ritemen in the sixth variation seemed more like causes for breath than music. This is a possible reading; it must be said: a touch of franticness certainly gives extra point to the arrival of the *Dies Irae* time. But it is also possible to feel that the music's throw away elegance and ironic wit are better served by a performance more Olympian, less of a challenge to Mr. Ashkenazy's interpretation, revealing even at these tempi more detail than one usually hears.

Sadler's Wells Theatre

El Sali

by CLEMENT CRISP

I imagine that to get the best from this Flamenco dance show that opened at Rosebery Avenue on Monday one needs to have dined and wine well and be in undemanding mood. The forces are slender—El Sali and four other dancers (one of whom doubles as pianist), two singers and two guitarists—and the fare no less so. A couple of weeks ago, Paco Peña, with no greater resources charmed and delighted us, but on Monday the egyptian dances seemed to rely on mannerism rather than style or variety. Heels drummed incessantly, feet stamped, temperament was unleashed in massive quantities, and all this against a skeletal set that could best be described as having a certain surreal improbability: two street lamps and a grand piano (draped, because this is a Spanish entertainment, with a white shawl) flanked by a collection of bull-fighters' capes fans, paper roses and two brass jugs.

El Sali himself is expert—as we were not allowed to forget—in all the varieties of percussive footwork, and his associate artists showed his ample with rare enthusiasm. As part of some larger Spanish show, El Sali might well create a vivid impression; as star of this performance his gifts seemed over-extended.

ENTERTAINMENT GUIDE

OPERA AND BALLET

COVENT GARDEN: ROYAL OPERA. Thurs. 7.30. AIDA. 7.30. FALSTAFF. 7.30.

ROBINSON, Vaughan, Resnik, R. Davies. 7.30. AIDA. 7.30. FALSTAFF. 7.30.

COVENT GARDEN, ROYAL BALLET. Thurs. 7.30. DANCES. 7.30.

AT A GATHERING. Thurs. 7.30. DANCES. 7.30.

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THEATRES

HAYMARKET, 930 9832. Evenings 8.0. Mat. 2.30. Sat. 5.0 and 8.15. A VOYAGE ROUND MY FATHER.

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THEATRES

STRATFORD-UPON-AVON: Royal Shakespeare Theatre. Seats available next few days. 1.30, 2.30, 5.0, 8.15. 1.30, 2.30, 5.0, 8.15.

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Farming and Raw Materials

Peru mines strike averted

By John Edwards

THE threatened strike by Cerro de Pasco mine workers in Peru was called off before it began, according to a Reuters report yesterday from Lima. It said that the workers at Cerro's copper, lead and zinc mines, who had threatened to strike yesterday, postponed the stoppage indefinitely following a promise from Juan Velasco Alvarado, the Peruvian President, to mediate on their wage claims and demands for improved working conditions.

Copper prices eased slightly on the London Metal Exchange on the news that a strike had been averted, but it was only a small increase.

S. Atlantic fish pact ratified

By David Egli

GENEVA, October 26. A CONVENTION to regulate fishing in the South-east Atlantic comes into force this week following ratification by the Soviet Union, the fourth state to ratify with a total 1968 catch of at least 700,000 metric tons. Other countries in the same category which have ratified the convention are South Africa, Japan and Portugal. Taken together these four countries caught more than 2.9m. tons of fish in the area in 1968.

The convention, drafted under the auspices of the UN Food and Agriculture Organisation, provides for the establishment of an international commission to study stocks in the area between 6 degrees south and 20 degrees south latitude and 20 degrees west and 40 degrees east longitude, and make recommendations for rational exploitation of the fisheries.

The catch in this area has increased thirty-fold since the beginning of the Second World War. Prior to 1939 less than 100,000 metric tons were caught annually while by 1968 the total, mainly hake and pilchard, amounted to 3.3m. tons.

Mansholt more optimistic over future of CAP

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Oct. 26.

The Common Market Commission is now considerably more optimistic that Germany will not cut itself off indefinitely from the Common Farm Policy by adopting a separate system of agricultural prices after a revaluation of the D-Mark.

Dr. Sieco Mansholt, vice-president responsible for agriculture, today said that he had been encouraged by recent talks with Herr Josef Ertl, German Minister of Agriculture, and thought that an agreement could be reached with Bonn that would avoid the continued imposition of border taxes on farm goods at the German frontier.

He felt that Herr Ertl was coming round to the view that the Ministry of Agriculture, and the incomes of German farmers after a D-Mark revaluation should be progressively dismantled—perhaps within two to three years.

Border tax

Anxiety in Community circles over German intentions has persisted ever since Herr Ertl told a council meeting at the end of last month that Germany would continue with the present temporary border tax system even after a

parity realignment. This would in practice have the effect of placing Germany in a separate price zone, in which the Community's common price system, based on the unit of account, would no longer operate. Dr. Mansholt's remarks followed a German re-affirmation at today's council meeting that Bonn had never intended to take Germany out of the Common Agricultural Policy. The reassurance was given by Herr Hans-Joachim Griesen, State Secretary for Agriculture, and the French Minister of Agriculture, M. Michel Cointat, had suggested that there was a need for the re-affirmation of faith in the principles of the policy.

Dr. Mansholt told the Ministers he thought that the German Government had agreed to a realignment of their parities by January, enabling new farm prices to be fixed for the 1972-73 farm season sometime in March. This was also the estimate that he had given senior U.S. officials during his talks in Washington last week.

Reporting on his visit to the U.S., Dr. Mansholt said he had re-stressed the Community's position that the D-Mark could not be taken away from the American import

surcharge by making concessions in the agricultural and trading sectors. The surcharge was a measure imposed for monetary reasons he said and its removal would have to take place in accordance only for a parity realignment of world currencies.

U.S. position

There was considerable embarrassment and confusion in Washington over economic and monetary policy, Dr. Mansholt reported, after the French statements of the administration contradicting each other and ignoring each other's points of view. But the U.S. position remained that trading and agricultural issues should be included in negotiations for the surcharge's removal.

The U.S., for example, had asked the Six to freeze Community cereal prices, Dr. Mansholt said, as this would help the Nixon administration politically. Dr. Mansholt suggested that the present International Grains Arrangement could be reinforced by the creation of an international administered stockpile of wheat and other cereals for developing countries. This was one way, he said, that current commercial problems could be usefully solved by new international agreements.

The Ministers today failed to reach agreement on a series of aids to farmers intended to improve the structure of Community agriculture under the Mansholt Plan.

The Ministers to-night agreed to an increased price of 3.6 per cent for pig meat. Also a 3 per cent rise in the target price for olive oil for the 1971-72 season.

A new common regime was adopted for wine imports from Mediterranean countries under which the duty would be cut by 40 per cent. The new regime will come into force on November 1 for Morocco, Tunisia and Turkey.

Sugar output rise predicted for Europe

RATZBURG, Oct. 26.

THE International Association for Sugar Statistics estimates EEC 1971-72 sugar production at 10.9m. tons against 9.6m. tons the previous season.

West German output was put at 2.25m. tons compared with 2.1m. tons in 1970-71 and in France at 3.1m. (2.5m.) tons. U.K. production is estimated at 1.1m. (1m.) tons.

Total production for Western Europe is put at 12.95m. tons against 11.5m. in 1970-71. Reuters

Spanish orange crop hit

By Our Own Correspondent

MADRID, Oct. 26.

SEVERAL thousand tons of this season's orange crop in Orihuela, on the Spanish Levante coast, have been damaged by hailstorms. Torrential rain in the Valencia region has also caused severe damage to orange groves. According to a Fruit Syndicate spokesman, export figures will have to be revised downwards and shipments of oranges to foreign markets may have to be slowed down until the fruit has ripened.

Rumours, allegedly spread by local traders, that 40 per cent of the Valencia citrus crop had been damaged, were rejected by the spokesman. He admitted, however, that there was a great shortage of Clementines and that only about 30 per cent of the crop would be available for export. In Salsman, the amount of early fruit was said to be even smaller.

Valencia packers of citrus have, for their part, insisted on strict control of the fruit maturity regulations to avoid premature shipments which last season made prices plummet in the German market. A few weeks ago, this season's citrus crop had been estimated at 2.5m. tons.

This is about 3 per cent less than the 2.57m. tons forecast made at the same time last year when, later in the season, heavy frost spoiled 40 per cent of the remaining crop. It is the possibility of additional damage from heavy frost in December and January should not be ruled out.

Currency crisis hits Indian jute exporters

By Our Own Correspondent

NEW DELHI, Oct. 26.

THE Indian Jute Mills Association has complained that business with the U.S. in carpet backing is now the main prop of the industry's export trade—is suffering because of shippers' inability to obtain cover for forward sales in dollars.

In a statement the association said trade in carpet backing was virtually done on a forward basis and many U.S. and Canadian buyers insisted on having only dollar contracts for delivery in five or six months on credit terms. But Indian banks have not been quoting forward rates for dollars.

Asking for the Indian Government support for its case, for credit, the Association pointed out that in 1970 carpet backing exports accounted for Rs.1,100m. out of a total of Rs.2,100m. jute goods exports.

INDIAN DAIRYING

'Operation Flood' the cities with milk

BY A CORRESPONDENT

THE WHITE revolution that is now being attempted in India could become of even greater significance than the Green Revolution that has already taken place. If it is successful, it will not only play a big part in overcoming malnutrition due to protein deficiency, but will mean that the dairy exporting countries of the world will have to write off India as a long-term, regular purchaser of their products.

The emphasis is on "long-term" because even the most optimistic of India's dairy industry leaders agree that it may take 25 or 30 years for the effects of some new developments such as the cross-breeding programme to permeate through all the Indian States.

But an imaginative and bold spearhead attack on some of the evils and handicaps of the traditional city milk supply system is already being mounted. It is called Operation Flood.

Operation Flood is a Government sponsored scheme which aims to supply four major cities with milk. It is backed by UN aid in the form of 126,000 metric tons of dried skim milk and 42,000 tons of butter oil supplied through the World Food Programme and it has the help of 140 specialist advisers working alongside National Dairy Development Corporation staff at their headquarters in Anand, Gujarat State.

Significantly, this is also the largest of India's most outstanding dairy producing companies—Anand—which belongs to a farmers' co-operative. And it is no coincidence that the managing director of Anand, Dr. V. Kurien, is also chairman of the National Dairy Development Corporation.

Upward spiral

The chosen cities where the five-year project is just moving into top gear are Delhi, Calcutta, Bombay and Madras. The existing situation in these and other cities is that the private city milk vendors, who have no care for standards of hygiene and are not averse to making their high and competitive by the addition of water, have a stranglehold on the under-supplied market.

Organised milk supply schemes do exist—most of them government ones—but the vast majority of them are operating at a loss. The Government is not prepared to subsidise the unscrupulous private sector either in obtaining milk supplies or in sales.

From the national standpoint, another bad feature of the exist-

ing system is that the city milk producers buy up the best milk producing animals as down-casters from the rural areas, dispose of their calves and use them purely as milk machines. This means that the country is depleted of much of its best potential breeding stock.

Operation Flood seeks to spoil the private vendors' game by creating an abundant supply of good, competitively-priced milk which will be created, initially, by reconstituting the WFP dried skim milk and butter oil. It is hoped that this will, therefore, spell ruin to the old-style city milk producers and get the cattle out of the cities. There will no longer be the money to buy top yielding animals and so they will remain in the villages to reproduce and to boost rural milk supplies for the Government milk schemes.

The WFP milk powder and butter oil will generate finance; supplied from the city, they go into the market at a value calculated not to upset the economy of the rural liquid milk producer. This finance will be used for further expansion of rural milk production and for development in milk transport, storage, processing and marketing.

So, if all goes well, there will be an upward spiral of production that will benefit the villages, get the cattle out of the cities and ensure a wholesome supply of milk for India's urban millions. This is a brave attempt to tackle a deep-rooted problem and not everyone is as confident of success as Dr. Kurien and his enthusiastic staff.

Critics say that even if the project is 100 per cent successful, it will benefit only the four major cities—a small percentage of India's total population. The masses of protein-deficient people are in the many villages.

But this argument is based on a wrong interpretation of the full purpose of Operation Flood. The object is to win the battle for milk production and to bring prosperity to some villages as it is to get a good supply of whole milk to the cities.

Leaders of Government and the dairy industry are confident that, despite protests from the urban population, the 1976 and 1978 and 1980, and despite the fact that milk is virtually the only source of animal protein for the 50-60 per cent of Indians who are vegetarians, the country can step up its own milk output to meet nutritional needs.

To achieve such production targets, India has a long way to

go in terms of livestock improvement and management. The problems of the White revolution are greater than those of the Green one because of the deep-rooted religious and psychological undertones and the simple biological fact that it takes longer to breed (and therefore improve) cattle than it does crops. As anyone who has visited India will know, there is no shortage of cattle—22m. head including buffaloes—but few of them produce anything approaching an economic amount of milk.

Native cows

In much of the country the buffalo is the main dairy animal. It gives high butterfat milk (6.5 per cent) which suits the Indian taste and its payment-on-farm system. It yields about two to three times as much as an average Indian cow (which is not saying much as the cow probably yields only 40 gallons a year). Its drawbacks are slow maturity and limited genetic material for improvement by selection (though buffaloes enthusiasts dispute this).

There is scope for getting more from the buffalo, but after a good deal of initial opposition, it was officially decided that the only way in which India could increase its milk production at anything like the required speed was by importing European breeds to cross with the best of native cows.

There are now several European cattle breeds in the country. They are mainly Friesians, Red Dales, Brown Swisses and Jerseys. Climate and disease have proved to be severe hazards, but the actual imported animals, particularly when they have not been accompanied by people who are familiar with their normal environment and needs. But the first crosses adjust well and yield the average of the two parents—that is, 600-700 gallons when the best of native cows are used.

Meanwhile, the programme for establishing milk production estates is ambitious. There were only seven in 1969, but the target is 19 by 1974.

Indeed, the whole idea of increasing milk and milk product production in India is ambitious. But it is the only hope for the future of the country. The development which will even up the inequalities which have developed as a result of the Green revolution—the surge of prosperity through grain production. Many people believe that unless there is some other sustaining viable sector of the farming scene, the Green revolution itself could be in jeopardy.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on balance on the London Metal Exchange. Prices opened on a firm note owing to influential buying which was prompted by Monday's late news of a strike at Cerro de Pasco in Peru. Forward metal traded up to £431, which proved to be the highest level of the day and thereafter it retreated slowly, finally closing at £428, on the late Kerb, where it was learnt that the Cerro de Pasco strike had been called off. Turnover £425 metric tons.

Henry Gardner and Co. reported that in the morning, cash values were untraded mid-Nov. £425, late Dec. £428, early Jan. £431, mid Jan. £434, three months £430, 6m. £433, 9m. £436, 12m. £439, early Dec. £430, three months £432, 6m. £435, 9m. £438, 12m. £441, three months £435, 6m. £438, 9m. £441, 12m. £444.

THE—Firmest. Recovered support by the buffer stock manager in the Eastern market overnight was followed by fresh buying here which in turn prompted short-covering. Turnover 400 tons.

Morning: cash £140, late Dec. £140, early Jan. £141, mid Jan. £142, three months £139, 6m. £141, 9m. £142, 12m. £143, early Dec. £139, three months £141, 6m. £142, 9m. £143, 12m. £144.

Quiet and untraded, reports G. W. Johnson, Cash: Nov. Jan. March, May, July, Sept. Nov. 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 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American News

Boeing may help build Japan's first jet

Jurek Martin

NEW YORK, Oct. 26. OFFICIALS of Boeing, in Seattle, said this morning that the company had still received no confirmation from the Japanese Government of reports from Boeing that it had been recommended to help build Japan's first jet airliner, the Boeing 747-200, according to the reports, the Japanese Aircraft Advisory Council has made a preliminary recommendation that Boeing, rather than Lockheed or McDonnell Douglas, or perhaps European interests, be invited to participate in the project because proposals would contribute to the development of the Japanese aircraft industry.

Boeing spokesmen, however, said that no official word had been received from the Japanese Government on the matter. It is understood that if recommendation is taken up, negotiations between the parties would be necessary on essential questions: the specifications of the aircraft, its cost and the extent to which the Japanese subsidies would be given.

It is said that Japan wants a wide-bodied jet of the same range as the Boeing 747-200, a twin-engine, wide-bodied jet of the same range. According to the reports, Boeing's proposal would be for a 220-seat aircraft.

Boeing is reluctant to go into detail about the project because the situation remains unclear, the Boeing spokesman said, as the Japanese had, at stage in its talks with the Japanese, suggested that it might be possible to build the aircraft simultaneously in both the United States and Japan.

no doubt

This proposal has been translated into a firm offer, it is help explain why Boeing has been preferred to its competitors, since the reports from Boeing have said that the Boeing would cost more than those offered by Lockheed and McDonnell Douglas. There must be some doubt whether the Japanese could have seriously considered the Lockheed proposal in view of the strict conditions on Lockheed's activities imposed under the terms of a federal loan guarantee agreement.

has not so far proved possible to put any dollar figure on the putative contract, the spokesman said he did think that the Japanese Government had actually asked for bids, fixed down to the dollar, on the project, but rather been looking for general proposals.

Trinidad oil output causes great concern

Our Own Correspondent

PORT OF SPAIN, Oct. 26. DAD and Tobago's crude production fell from a 198,000 bpd in 1968 to 128,000 bpd this year.

These figures in Port of Spain, Minister of Petroleum Resources, Mr. Overland Padmore, said this is a cause for great concern because of the importance of the petroleum industry to the revenue of the country. It was this background, said Mr. Padmore, that Trinidad and Tobago Government had just concluded a historic arrangement with the Texaco, Shell, Trinidad and Tobago Petroleum Company, under which the company would be entitled to 10 per cent. equity interest in a consortium of three companies within a 187,000-acre area off Trinidad's south coast.

The consortium must also pay for production bonuses Government which could be as high as \$12m. if production is 200,000 barrels a day.

The consortium has also agreed to share the cost of Government participation if required, 10 per cent. of the acreage to be returned to the Government under the terms of the agreement before October 1974.

Lock strike begins to be felt

U.S. companies are starting to feel the effect after 26 days of the East and Gulf dock and the soft-coal tie-up. Companies are still living on their stocks of coal.

Some insist the walk-out of the long-anticipated coal miners is the worst thing that has happened in the industry for a few months.

But sugar companies are not alone. Aluminum Company of America announced earlier that it was closing two of five aluminum-producing "pottlines" at Warfield, Indiana, because of a shortage of coal supplies.

Steel Company also disclosed earlier that it was reducing coke production at Indiana Harbor, and banking one of eight iron-making blast furnaces at the works.

Some railroads have been hurt almost from the start by the shortage of coal supplies, and the disruption in dock can be offloaded and routed to the U.S. by land.

Kosygin's Canada visit ends in wide agreement

THE SOVIET UNION and Canada have agreed to work together to prevent pollution of the Arctic and to examine prospects for a long-term economic agreement between the two countries.

A communiqué issued today at the conclusion of Soviet Premier Alexei Kosygin's nine-day Canadian visit envisaged a diversification and expansion of Soviet-Canadian trade.

A Canadian proposal to set up a joint commission for trade consultations will be discussed in talks aimed at renewal of the Canada-U.S.S.R. trade agreement scheduled to open early next year. The agreement, expiring in the spring, is expected to be renewed for a further four years.

Dealing with international questions, the communiqué said early steps should be taken toward a mutual reduction of NATO and Warsaw Pact forces in Central Europe, "without detriment to the participating States."

It also endorsed the idea of "multilateral consultations to pave the way for a conference on European security, in which Canada and the U.S. would participate."

A properly-prepared conference would contribute to "a normalisation and improvement of relations among European states."

"The two sides consider it useful to expand bilateral co-operation on Arctic problems," said the communiqué.

In talks here with Prime Minister Pierre Trudeau, Mr. Kosygin again rejected Canada's proposal for an international treaty on pollution control and navigation safety in the Arctic.

To-day's communiqué gave no details of the type of co-operation now contemplated by the Soviet

Union and Canada to prevent pollution.

Opportunities exist for further exchanges of experience and technology in northern development, said the communiqué. Such exchanges in the past have proved "productive."

The two sides had a useful discussion of the Soviet proposal for a general agreement covering economic development, technological and industrial co-operation between Canada and the Soviet Union, the communiqué said. A similarity of natural resources and economic problems facing the two countries facilitated such co-operation, it said.

The communiqué noted a similarity of views between the Soviet and Canadian Governments on the number of current international issues.

Mr. Kosygin and Mr. Trudeau had expressed the desire to promote "positive processes" under way in Europe.

Practical steps

"Both sides support the objective of ending the arms race and achieving general and complete disarmament, covering both nuclear and conventional weapons under strict and effective international control," said the communiqué.

It called for further practical steps in the disarmament field, first of all, the effective prohibition of the weapons of mass destruction—nuclear, bacteriological and chemical—adoption of partial disarmament measures, including a ban on underground nuclear tests and reduction of military expenditures.

On other international issues, the communiqué said:

1—Both sides expressed their concern about the "continuing tense situation in the Middle

East," then agreed that the mediation efforts of UN envoy Gunnar Jarring and of the Big Four Powers should be supported.

2—Mr. Kosygin and Mr. Trudeau had found that Indo-China "continued to be a source of anxiety." They favoured a political settlement guaranteeing the Indo-Chinese people "the possibility of shaping their own destiny in accordance with their national interests and without foreign interference."

3—The situation in East Pakistan and the presence of many millions of Pakistani refugees in India was also a source of concern. To prevent a further deterioration of the situation it was necessary to achieve "an urgent political settlement" in East Pakistan taking into account the legitimate rights and interests of the population and speeding a return of the refugees.

4—The communiqué noted that the Soviet and Canadian Governments had expressed the desire to promote "positive processes" under way in Europe.

Bank of Montreal cuts prime rate

TORONTO, Oct. 26. THE Bank of Montreal said it has cut its prime rate to 6 per cent. from 6½ per cent. effective November 1. Canadian banks, including the Bank of Montreal, last week announced a reduction in the prime rate to 6½ per cent. from 6½ per cent. effective yesterday.

Last Friday night, the Bank of Canada, the Central Bank, trimmed its discount rate to 4½ per cent. from 5½ per cent. The Bank of Montreal announcement also included a one-half of 1 per cent. reduction in the rate paid on savings accounts, bringing the new rate to 4 per cent. effective from November 1.

Reuter

NIXON'S ECONOMIC POLICY

Now for export incentives

BY GUY DE JONQUIERES, WASHINGTON CORRESPONDENT

SINCE President Nixon announced his dramatic new economic policy two months ago, the focus of international attention has rested on the implications for foreign trade of the floating of the dollar and the import barriers erected by the 10 per cent. surcharge and the discriminatory elements of the investment tax credit. But on the sidelines of the broader debate, the Treasury has been promoting another, little publicised, element of the August 15 package, aimed at stimulating exports.

The Treasury is pressing Congress to adopt a scheme, originally proposed last year, which would ease substantially the tax burden on income from export sales. This would be achieved through the establishment of entities known as Domestic International Sales Corporations (DISCs) which would enjoy a fiscal regimen similar to that now available to manufacturing and sales subsidiaries set up by American companies abroad.

Such subsidiaries are not required to pay U.S. tax on their profits until these are repatriated by the parent corporation and distributed as dividends. Under the DISC scheme, any American company could set up a home-based affiliate—which need exist only on paper—to deal with foreign sales. It would be permitted to defer tax payments on 50 per cent. of export profits (or 40 per cent. of gross income from overseas) for up to 15 years.

The tax-free funds could also be loaned back to the parent company, at a nominal rate of interest, for investment in export-related facilities.

The Treasury argues that the establishment of DISCs would remove a long-standing inequity in tax law, which has made it more favourable for corporations to set up manufacturing facilities abroad than to export products made in the U.S. It would also provide a compensation for the advantage conferred on exporters in the EEC countries by the exemption of exports from the Value Added Tax. Because the U.S. tax system is structured much more around direct taxation than those of most Common Market countries, no directly comparable exemption for American manufacturers is possible.

A further advantage claimed for the scheme is that it would help to curb the outflow of direct investment capital abroad. Mr. John Connally, the Secretary of the Treasury, who is stage-managing DISC as a part of President Nixon's general tax-cut package, told Congress recently: "The DISC proposal is obviously designed to induce companies to continue manufacturing in the United States for

1968-70 base period. Mr. Connally's response has been that by putting the DISC on an "incremental" basis, the committee has removed the incentive for large exporters to continue manufacturing at home and robbed other companies of a simplified way of breaking into foreign markets.

The decision to alter the DISC plan appears also to have been



Wilbur Mills: his Ways and Means Committee has balked at the White House plan to improve export incentives.

sales abroad, thus keeping jobs at home, rather than exporting them to manufacturing and know-how to foreign countries."

Despite these laudable attributes, however, the DISC plan has already run into trouble with Congress. The House Ways and Means Committee (whose chairman, Mr. Wilbur Mills, has said the fiscal 1972 budget will end up with a deficit of more than \$30,000m.), balked at the additional drain on revenue which the plan would cause. According to Treasury estimates, it would involve a tax loss of around \$600m. in a full year. Calculations by the joint congressional committee on tax put it considerably higher, at between \$800m. and \$900m.

The Mills Committee has amended the proposal, so that tax deferrals would be available on export earnings exceeding 75 per cent. of the average annual profits from foreign sales realised by a company during the

influenced by suspicions that it might end up as little more than a windfall for business. This is the interpretation placed on it by the unions (who have been fighting for years to stop companies from "sending jobs abroad"). Their criticism has been joined by a number of distinguished tax lawyers and economists.

According to the Treasury, DISC would bring about an increase in export earnings of at least \$1,500m. annually. The basis for this calculation, and its significance, however, appear to be exceedingly vague. No specific year for its attainment has been set and the Treasury has failed to produce—at least publicly—any statistical evidence of the kind which it normally amends the proposal, so that lays before Congress in support of a new fiscal proposal.

The precise relationship between fiscal policy and exports on export earnings exceeding 75 per cent. of the average annual profits from foreign sales realised by a company during the

tion on international trade and investment reported to President Nixon this summer that it had failed to reach a consensus on the merits of DISC and recommended that the Treasury undertake further research into the effects of the tax system on trade. Other, independent tax experts have suggested that the relationship is not proven, or may in this instance be even nonexistent.

It is possible, DISC's critics argue, that adoption of the measure will provide only a small incentive for non-exporting firms to go into foreign markets. But if it is adopted in its original form, it would hand large export sales a sizeable tax break, whether or not they increased their overseas earnings. Indeed, an eventual realignment of parties would automatically increase export earnings without any additional effort on the part of the exporter.

One of the proposal's sternest critics is Professor Stanley Surrey, a former assistant Treasury Secretary for tax policy and now at Harvard Law School. He claims that it will open up "a billion dollar loophole in income tax" for many major corporations, providing uncertain benefits in return for large certain costs. He also argues that it is open to abuse, as a channel into a foreign tax haven, and that there is no guarantee that tax-free funds from DISCs will be used for export-related investments.

Discussion of DISC has been impeded by the absence of supporting material from the Treasury. Mr. Connally's case for it has revolved largely around the patriotic duty to increase export earnings, while the ways and means committee has been talking largely in terms of the need to curtail excessive Government spending. The intrinsic merits of the DISC proposal itself have not been subjected to any serious economic analysis to determine its potential effects on export earnings—or at least none is publicly available. Thus, if Mr. Connally succeeds in winning Congress's approval for it, DISC will go into operation largely as an unknown quantity.

Sony to go ahead with U.S. TV assembly plant

BY NICHOLAS COLCHESTER

NEW YORK, Oct. 26.

AS A result of the upward shift in the yen, the U.S. dock strike and the import surge, Sony Corporation has decided to go ahead with its long-considered plan to build a television assembly plant in the U.S.

The Japanese company announced today that it would build a \$1m. colour television assembly plant near San Diego in California.

Construction is expected to start before the end of this year and production of sets in spring 1972. The plant's initial output will be 5,000 sets a month but the factory will be designed for expansion and Sony envisages a fairly rapid build up to 20,000 sets a month. The televisions produced will be exclusively the "Trinitron" "Trinitron" colour sets. It appears that the majority of components, including the picture tube, will be shipped from Japan and that the San Diego facility will concentrate on assembly.

Sony said the principal benefit of the plant would be the company's greater ability to adapt to demand trends in the U.S. It added that it had been thinking about a U.S. plant for 10 years and that its decision to go ahead had been influenced by the dock strike and the shift in yen value.

Big jet trainer deal likely with Tokyo

BY OUR OWN CORRESPONDENT

TOKYO, Oct. 26.

JAPAN has tentatively decided to purchase 206 supersonic trainer aircraft valued at approximately \$421m. from the U.S. for its fourth five-year defence build-up programme which begins next year instead of manufacturing them domestically, it was learned today.

The new move reportedly is being made to co-operate with the American dollar-saving measures and in preparation for coming negotiations with the Secretary of the Treasury, Mr. John Connally, over upward revaluation of the yen. Japanese Government Ministries believe that Washington will be more agreeable to a smaller yen revaluation if Japan purchases more of its defence items from the U.S.

Finance Ministry officials first came up with the plan months ago and subsequently has pointed out in discussions with the Ministry of International Trade and Industry (MITI) that local manufacture of the same number of aircraft would cost \$524m.

Big screen

This plant assembles colour televisions using Japanese components and American picture tubes and this enables it to sell big screen sets that would be prohibitively expensive to ship from Japan.

The sources noted that Sony was now shifting to a bigger screen size and that this might have added to the logic of a U.S. plant. They also argued that all the advantages of the Sony U.S. plant seemed marginal as still to demand trends in the U.S. be subject to the U.S. import surge and would be sensitive to the effect of a dock strike as the finished sets.

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Export News

IN BRIEF

Licensing deal for Whessoe in Japan

WHESOE has signed a licence agreement with Mitsubishi Heavy Industries, of Tokyo, which will enable Mitsubishi to use the technical knowledge, skills and experience of Whessoe in the designing, engineering and construction of land-based cryogenic storage systems in Japan and the Far East.

A similar agreement has been concluded with J. F. Thomson Pty., of Victoria, Australia, which will enable the licensee to design, engineer and construct land-based refrigerated storage systems in Australia, using Whessoe technology.

The Sheffield glass merchants Ellis Pearson and Co. has won its first major export order. It is supplying and fixing automatic glass and stainless steel entrance door units for the Campus de la Bourdilliere at Plessis Robinson, south of Paris.

The office block, claimed to be the largest in Europe, is being developed by La Societe Civile Immobiliere de la Bourdilliere, a subsidiary of Star (Great Britain) Holdings. The contract is worth about £1.5m.—about £73,000.

Because of growing demand for its traditional English oak furniture, the Jaycee Group has granted a franchise in Canada to Woodfield Distributors of Toronto.

With new stockists being appointed and arrangements for national coverage completed, Jaycee expect to treble sales to this market within the coming year.

Switchgear by Reyrolle

A £24m. switchgear order from Singapore has been won by A. Reyrolle and Co., a member of the Reyrolle Parsons Group. The order, which was received from the Singapore Public Utilities Board, covers the supply of 6.6 kV oil circuit-breakers, and reflects the rapid rate of expansion of Singapore's electrical distribution system.

More than £100,000 worth of Lincom equipment for HF radio telephony services in Chile is being supplied by GEC-AEI Telecommunications who recently announced a £1m. extension to the 1,800-km. (1,130-mile) microwave-radio link between the northern city of Arica and Santiago de Chile.

The equipment has been ordered by Empresa Nacional de Telecomunicaciones SA (ENTEL), the national telephone operating company in Chile. It will be used in the southern part of the country where the sparsity of the population makes an HF radio system a more economic proposition than microwave-radio.

A contract valued at M82m. (about £237,000) has been awarded to Taylor Woodrow International by J. and P. Coats (Malaysia) Sdn Bhd for the construction of a sewing thread factory at Prai in the state of Penang, Malaysia.

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THE COMMON MARKET—CONSTRUCTION

Amery studying public works free competition

BY DAVID CURRY, EXPORTS EDITOR

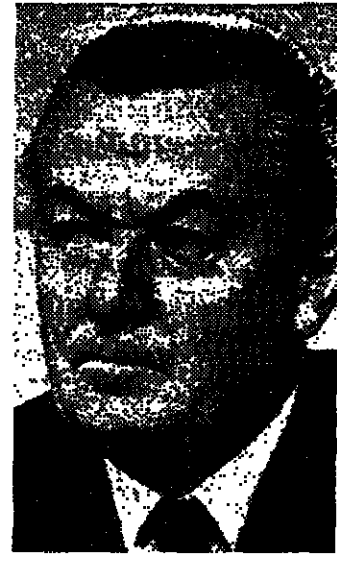
MEMBERSHIP of the Common Market would enable Britain to achieve a much higher rate of growth than we could ever attain outside it, said Mr. Julian Amery, Minister for Housing and Construction, when he opened a conference on "The Common Market and Construction" in London yesterday.

The expansion of the British market would provide perhaps the greatest and certainly the most immediate opportunity for the construction industry. But the opportunities would not be restricted to this country. The industry would be able to expand its operations throughout the Common Market as a whole.

Mr. Amery thought we could be confident of the industry's skill, competitive strength and flexibility. Moreover, the suppliers of materials and components would need to match increased demand.

"Our use of main contractors and the managerial and programming expertise which we have developed—our systems of cost control associated with advanced quantity surveying techniques—our superiority in many technological fields (as in the use of prestressed concrete)—mean that we need not fear competition on our home ground."

Continental companies trying to seek business in this country would have "a pretty difficult time," Mr. Amery thought. "The question is how we can best exploit our advantages, by extending our operations throughout a market of more than 250m. people, with a total construction output exceeding £30,000m. per annum—and still expanding."



Mr. Julian Amery—the EEC is not Jericho.

Every sector of the construction industry was already active to some extent in the Common Market and EFTA countries.

"Sales of building materials and components—including steel products—amounted to about £55m. in 1970 while a number of companies have established subsidiary companies or entered into licensing arrangements which further add to our market penetration," he commented.

"All the same, what we have achieved is modest compared with the industry's total overseas efforts—and in relation to the potential that exists. At the same time it has been achieved

despite the numerous existing barriers to trade.

"As tariffs are reduced, freedom of capital movement established and administrative barriers of all kinds removed, we should be able to expand our operations substantially."

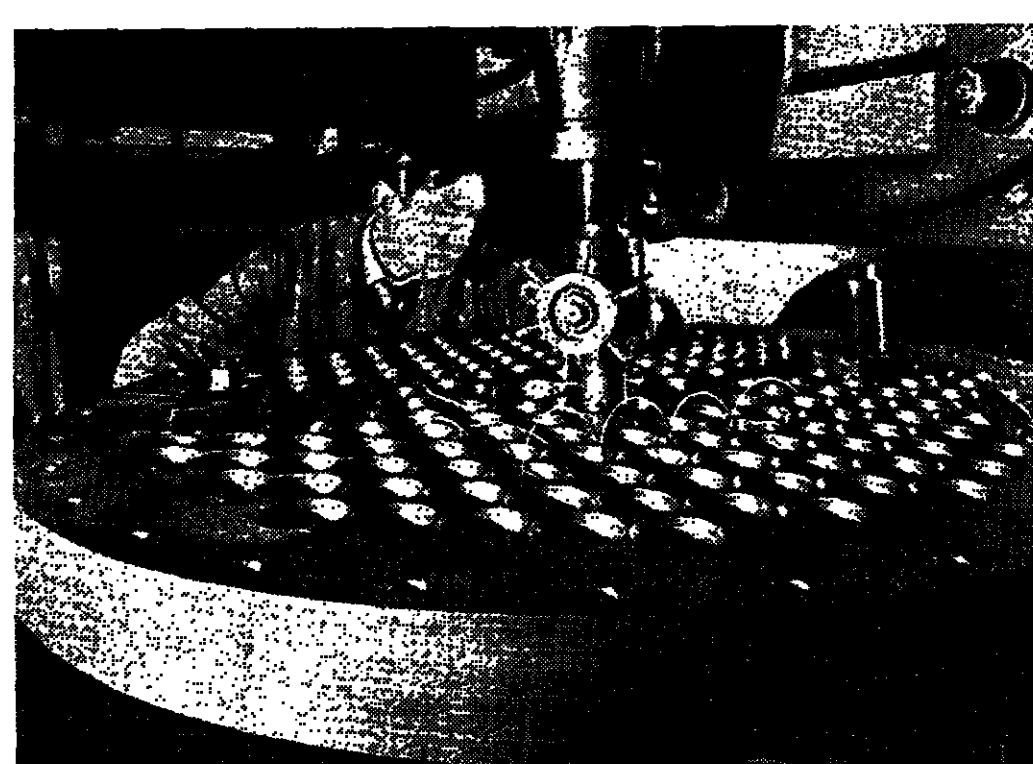
"This does not mean that entry into the EEC will—like Joshua's trumpet—bring the walls tumbling down so that we can simply walk in and pick up the prizes.

"The other member countries have well-developed construction industries of their own and we shall need to call upon all our management, marketing, production and professional skills if we are to realise fully the potential for profitable business."

Discussing the Government's role, Mr. Amery said that a close study was being made of existing EEC legislation and its implications for British industry in general. Similarly, during the interim period a great deal of effort was being devoted to the study of legislation in draft "so as to digest its implications for Britain."

The Minister said he was not waiting for accession to be formalised. At the last meeting of the National Consultative Council of the Building and Civil Engineering Industries he had made special arrangements for day-to-day consultations between the constituent bodies and the Department of the Environment.

The first round of consultation on the EEC directives concerning the freedom of competition for public works contracts over £420,000 would take place shortly.



Machining a solid nickel tube plate at the Croydon works of A.P.V.-Mitchell. The solid nickel plate, measuring 4 feet in diameter and 3 inches thick, will eventually be fitted into a high-pressure heat exchanger. The exchanger is part of a contract for several vessels and heat exchangers, all constructed in nickel, being supplied by A.P.V.-Mitchell to Eastern Europe at a value of over £60,000.

Free-for-all in air freight

BY ROBERT MCKINNON

WHILE the controversy over air passenger fares continues to attract a great deal of attention, the disappearance of controls over air freight rates has crept in practically unnoticed.

The free-for-all, which came into effect on October 1 after the failure of IATA members to ratify new rates agreed earlier this year in Singapore, means that for the time being, at least, airlines can charge what they like for carrying freight. Predictably, it is not a state of affairs which pleases everyone in the business, nor will it necessarily mean lower rates for shippers despite the highly competitive nature of air freight today.

For some time now, air freight has been going at a net annual rate of 13 per cent and today enjoys a gross annual turnover in the region of £700m. And although in terms of total tonnage it carries less than 1 per cent of all exports, by value its share is about 4 per cent.

The reason for this discrepancy is that most air freight consists of goods which have a high value in relation to its weight and volume.

Typical items include metals, precision instruments and machinery, graphic arts and advertising materials, TV and cine film, fashion clothing and exotic foodstuffs such as caviar or fresh strawberries out of season.

One man who is not at all happy over the latest turn of events is John Emery Jr., president of Emery Air Freight Corporation, which with an annual turnover of \$115m. is by far the world's largest air freight forwarding company. He has described the Singapore meeting and its aftermath as a "disaster," and is so doing was doubtless speaking for the vast majority of forwarders.

Forwarders

"Our industry would have been much happier with fixed rates," Emery added in London recently. "Then we and our customers would know where we were. I know the idea of shopping around for the best buy may sound attractive, but the air freight business is far too complicated for that."

Emery explained that an aggregate rates system based on a sliding scale geared to total containerised tonnage carried would have been much fairer and more workable.

However, Emery agrees that the industry's long-term future looked bright. He forecast that "by 1980 as much as 50 per cent, by value of total imports into the U.S. will come in by air, though today air freight is still in the DCA stage, you might say."

The structure of the industry, according to Emery, was also likely to alter radically. At present, the world's airlines received about 40 per cent of their freight business from agents or middlemen, the remaining 60 per cent coming in roughly equal amounts either direct from shippers or from air forwarders who consolidate individual consignments into larger loads according to size, type of product and destination. Their profit

comes from the judicious manipulation of cargo space booked in advance from the airlines.

By 1980, Emery also predicts, "the forwarders will be handling 80 per cent of all air freight, and by then we'll be purchasing air space wholesale, whereas the agents will still be working on their 5 per cent commission."

The service he admits has still to be "sold" in a big way; industry still looks upon air freight primarily as an export emergency or rescue operation. Second, its trump card is speed, but this advantage is all too often delayed away by irritating frictions in getting the goods from the factory to the aircraft. Inadequate ground handling systems coupled with notoriously irritating Customs officials combine to frustrate airlines and air freighters.

Third, the administrative side is unsatisfactory. Consignments go astray or "fall off the back of lorries," though in general air freight security compares favourably with that of other cargo moving media. Very often, however, the main fault is one of simple communication, of failing to let people know that a consignment has to be picked up, or dispatched by a certain aircraft at a certain time or, indeed, that it is awaiting collection at a certain airport.

Airships

Even so, air freight can and does offer certain advantages, notably over longer hauls. Nor is its prohibitive when seen as a proportion of total export distribution cost. In this connection, one British company, Airships, thinks considerations like these justify a second chance for the airship.

Meanwhile, air freight is being seen, increasingly, as a feature of physical distribution management rather than as a 20th century version of Wells Fargo. "It is in fact too important," commented Emery, "to be left in the hands of the technologists. American Airlines have already seen the light, and only six weeks ago appointed a senior vice-president (Cargo)—the first in the business, as far as I know. The way things are shaping, however, he will not be the last."

DEALING WITH EASTERN EUROPE—ROMANIA



A formal bow to Comecon, real courting in the West

MUCH has been written recently about the situation in Romania mainly related to political developments.

Naturally, this facet of a country's circumstances is extremely important, but it should not be allowed to cast a shadow over its economic changes. There is little doubt that, considering both the Soviet Union's and China's need to trade with the West, alterations in the political conditions of any of the Eastern European countries will not bring to an end the ever-increasing exchange of goods between the two trading areas.

Therefore, British exporters and businessmen should be aware of changes in Romania's foreign trade attitudes and the mutual advantages which may be derived from them. Several significant events have taken place in the last few months. These have included the February conference on Romania's foreign trade activities and the March decree outlining the framework within which joint companies could be formed and operated in Romania.

Romania has introduced legislation for foreign companies wishing to have a permanent office in Romania, while at the July meeting of Comecon, member countries reached agreement on closer co-operation with each other over the next 10 to 20 years.

Contact with end users

It is worth looking a little closer at the consequences of these events and at the manner in which they may affect trade.

The February conference on foreign trade led to the implementation of an earlier decision to de-centralise both imports and exports. Hitherto, all imports and exports had been carried out through a handful of centralised organisations situated in Bucharest. This resulted in a complete lack of contact between the end user and the supplier, many times resulting in the former not being provided with the most suitable requirements for his needs.

The new system has been devised to improve this situation. Each Ministry is responsible for a group of industries. Within each ministry, industries specialising in a particular field can band together, forming Trusts or Centralised Import/Export Organisations, or work through already existing bodies. Either way, imports and exports have closer contact with foreign markets, both for import and export purposes.

As a result of this change, exporters to Romania have much easier access to the ultimate

users, can visit factories and discuss direct with the management. There is, however, a temporary drawback in this system. Whereas hitherto an exporter knew exactly where to go to submit offers and to publicise his product, there being only a handful of organisations, all of them in Bucharest, now he is faced with a large number of organisations, with new names, new addresses and new people, many of them with head offices in the provinces.

Though direct contact is now possible, it may be more difficult to locate the best contact.

The March decree outlining the framework within which joint companies could be formed and operated in Romania is perhaps the most significant economic step forward made, and the one which could, eventually, be of greatest benefit to British trade.

The decree is very brief and, therefore, leaves most of the details to be agreed on between the two parties. It is significant, however, that it allows for the repatriation of capital and profits in hard currency and that a Romanian Bank for Foreign Trade Guarantee to this effect is available.

Naturally, there will be problems such as taxation, employment of Romanian staff, and language, but the opening is of great importance.

The decision to request foreign companies wishing to operate permanent offices in Romania to register with the Ministry of Foreign Trade through the Romanian Chamber of Commerce was undoubtedly prompted by the fact that many such offices have sprung up in the last two years and have been paying wages well above Romanian standards. Romania has said that it felt that some may not serve best economic interests and that, therefore, it

was advisable to allow only those companies to operate on a permanent basis which could prove their status both in the country of origin and in Romania by their past records.

The operation is still in progress, although some authorisations have already been issued.

The action does not mean that that individual British—or for that matter any other bona fide businessman—cannot do business in Romania. They will be welcome and receive a very warm reception, especially now that visa formalities on arrival have been reduced only to the presentation of a valid passport.

Nonetheless, it gives those companies whose past registration has been approved a certain status in their negotiations with Romanian organisations and also gives a guarantee to those seeking their services that they are working through a serious company.

At the end of July Comecon countries met in Bucharest to discuss closer co-operation. Romania, albeit with qualifications, agreed to closer co-operation and some days ago published a list of various projects in which it was prepared to co-operate over the next few years with other Comecon members.

Economic independence

The conclusion reached by some that Romania had abandoned her more independent economic development policy is not correct and was, in fact, attacked only a few days later by repeated official Romanian statements to the contrary.

There is nothing surprising in Romania co-operating in certain projects with Comecon member countries, but it should not be forgotten that she will have to continue relying on the West in respect of other projects for which the "know-how" and the engineering are not available elsewhere, and these include many projects she is supposed to look East for.

The general conclusions to be drawn are that Romania, one of the countries of Europe, richest in natural resources with a population of over 20m. people, is expressing her willingness to co-operate with the West in the economic field.

There are undoubtedly economic advantages to be drawn from these developments provided U.K. exporters and businessmen go into this highly specialised but by no means unprofitable market determined to make a success. They should start by consulting specialist organisations which can be found by consulting the DTI or the Commercial Section of the British Embassy in Bucharest.

Cover-up operation

AN order totalling 11 square miles of tarpaulin sheeting—enough to provide a canopy over the whole of the city of York—has been won by Maxwell Sharples, tarpaulin manufacturers, of Leeds. It has been placed by the Zambian government's Board of Agriculture and is the biggest single contract in the history of the Leeds company.

It calls for delivery within three weeks of 2,000 sheets in PVC/nylon construction for use in crop protection. The company commented that three Boeing 707 aircraft were being chartered to fly the 88 tons of sheets to Zambia. The value of the contract is £178,000.

A £500,000 Canadian order for 1.5m. bottles of Decosol, the car upholstery cleaner, has been received by its manufacturer, Chas Hanson and Son, Brighouse, Yorks.

E. P. Allam and Co., of Leigh-on-Sea, Essex, has received from Inter City Electro Technical and General Company, of Lagos, Nigeria, an order valued at over £17,500 for 96 generators, ranging from the portable "Minigen" to the trolley-mounted 7kVA diesel-driven unit.

The water division of PD Process Engineering—part of the Powell Duffryn subsidiary PD Pollution Control and supplier of treatment plant for drinking water and process water including boiler feed—has expanded into the ion exchange market with a £150,000 contract from Henry Ford and Sons, in Cork, Eire, for a plant to provide a high quality demineralised water for process uses at Ford's Cork plant. The plant will consist of a cation, anion and mixed bed and associated acid and caustic regeneration equipment with full instrumentation.

It takes all sorts . . .

Thirty-two million Bassetts liquorice allsorts will sail for Canada during the first week of November in the largest shipment of confectionery yet exported by George Bassetts Holdings, which claims to be Britain's biggest exporting confectionery manufacturer.

With a retail value in Canada of \$200,000 (£80,000), the 162-ton consignment is the most valuable single export order to be filled by the Sheffield-based Bassetts confectionery group. Comprising 193,536 30-ounce bags, it was ordered by the Bassetts agent in Toronto.

Mr. Derek Goodier, Bassetts' group international sales manager, says, "This order reflects the dynamic growth of Canada's liquorice allsort market."

The drive at Bassetts' Sheffield factory has been widened to accommodate the 40-foot long containers in which the sweets are expected to be shipped.

As is usual with Canadian orders, all the packs will be printed in French as well as English. Thus "Bassetts Liquorice Allsorts" become "Bassetts Régisse Assortie".

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WHEN IS PYE-DAY?



European News

Aga Khan not leaving Costa Smeralda

PETER TUMIATI

ROME, Oct. 26.

AGA KHAN'S solicitor in Milan, Sr. Paolo Riccardi, said this evening that the Aga Khan was considering resigning as president of the Costa Smeralda consortium, his class tourist development, completely untrue.

He said the report had been originated from the fact that Aga Khan had been forced to suspend investments in the Costa Smeralda owing to the ban on building which had been imposed by the Italian regional authorities in the village of Arzachena last month. He added that as soon as the ban was lifted, Aga Khan would resume his role for the development of the Costa Smeralda.

He said the Aga Khan's arrival in the village of Arzachena, which did not even have a village hall, was an almost uninhabited place, left to sheep grazing. It was, still, part of the municipal territory of the village of Arzachena, which has a population of 6,000, including the Costa Smeralda, which covers 50,000 acres, including the 7,000 of the Costa Smeralda itself.

Understanding

Years ago, the Arzachena regional authority submitted to the Aga Khan his building programme, which naturally included the Costa Smeralda. The Aga Khan proposed to improve a 700 acres of its 7,000, along the coast, building was to be done from a minimum of 20 cubic metres per square metre to a maximum of three metres per square metre. The village of Arzachena itself also planning a major improvement.

But owing to a misunderstanding of the figures, or, because of local rivalries, the rumour was spread that Arzachena and Costa Smeralda were proposing to build housing for a population of 450,000. A major publicity started throughout the Italian Minister for the Regions, backed by well-known town planning experts, ecologists, quoted the Costa Smeralda and the island of Sardinia as cases in which clear limits were being made to the completely natural environment.

The president of the Sardinian region, Sr. Antonio Giagu, announced this evening that in the near future the question of building permits for the Costa Smeralda would be cleared in the meantime he said he had asked the Costa Smeralda consortium to suspend its dismissals it had made.

Japanese plan exports to Europe

BRUSSELS, Oct. 26. The Japanese Government today proposed a seven-point programme for "orderly trade" to prevent Japanese flooding Europe. The programme was submitted to the Commission and the European Council by the Japanese Minister for Foreign Affairs, Mr. Takeo Fukuda, at a one-day meeting here.

U.S. warning on car safety

CHRISTOPHER LORENZ. AMERICAN Government "tolerate" foot-dragging by countries in the development of safety cars. Mr. John P. Volpe, U.S. Secretary of Transportation, said here today.

Volpe was addressing a conference on the opening of the Second International Conference on experimental safety vehicles. His warning was given in reply to a question about what the U.S. would do if American research was not carried far enough advanced to new legislation before the Japanese and other countries had their development so far ahead of the U.S. as to make it impossible for the U.S. to catch up.

Volpe said the U.S. Administration was prepared to legislate a class of car by class and that it would attempt to do this only after consultation with other countries, so as to avoid favouring one vehicle against another. But it would not stand for delaying tactics.

Mr. Volpe reaffirmed the American belief in air bags, but he conceded that they were not yet completely satisfactory, and said that Washington did not want to decide on a particular standard until they were 100 per cent reliable.

The conference, which lasts until Friday, is being attended by 200 delegates and 150 observers from ten countries, including the U.S., Britain, West Germany, Japan, France and Italy. The five-day session follows a similar meeting in Paris last January, and has been sponsored by the U.S. Department of Transportation. Hosts are the German Government and Daimler-Benz.

Over the next few days nine national delegations will present reports of their progress on experimental safety vehicles (ESVs). All four U.S. ESV contractors—Ford, General Motors, American Machine and Foundry, and Fairchild Industries—are making detailed technical presentations.

Brezhnev anxious for positive results from Paris visit

BY ROBERT MAUTHNER

PARIS, Oct. 26.

MR. LEONID BREZHNEV, the Soviet Communist Party leader, who today had talks lasting for four hours with President Pompidou, is clearly anxious to ensure that his visit to France will not be written off as mere window-dressing.

Since his arrival yesterday he has taken every possible opportunity of emphasising that the moment is now ripe for raising Franco-Soviet relations to an even higher level "without, however giving any further details."

There can be little doubt that what Mr. Brezhnev had in mind originally was a formal treaty of political agreement. But this, apparently, has been ruled out by President Pompidou who, once again, emphasised at an official banquet last night that France's attachment to the Western alliance and the Common Market was as close as ever.

It is likely, on the other hand, that M. Pompidou will agree to sign some kind of document or declaration which will give a little more substance to the process of political consultation. M. Pompidou was therefore taking no risks in showing more keenness on the security conference than most of France's allies.

The fact is that the convocation of a European security conference has all along been made dependent by the Western allies, including France, on a settlement of the Berlin problem. It is therefore most unlikely that multilateral preparations for the conference will begin before the current talks between the two Germanys on Berlin have been successfully concluded.

ment and hierarchy than his colleagues from other Western states.

It is probable, therefore, that the new declaration on political co-operation will not do much more than reinforce these existing arrangements.

For the moment, the Russians are already well pleased with their much-cherished European security conference. Although there is nothing very new in this support, the French President went a little further last night than he has done hitherto in calling for the multilateral preparations for the conference to begin in Helsinki as soon as possible.

No risks

This declaration may have sounded very good in the dining room of the Grand Trianon Palace at Versailles but, as several observers here have pointed out, it takes more than two weeks to make multilateral preparations. M. Pompidou was therefore taking no risks in showing more keenness on the security conference than most of France's allies.

The fact is that the convocation of a European security conference has all along been made dependent by the Western allies, including France, on a settlement of the Berlin problem. It is therefore most unlikely that multilateral preparations for the conference will begin before the current talks between the two Germanys on Berlin have been successfully concluded.

Doubt over state of Malta-Libya relations

BY OUR OWN CORRESPONDENT

VALLETTA, Oct. 26.

LIBYA'S Deputy Premier, Major Abdussalam Jalloud, left here last night after a brief and sudden six-hour stay, the greater part of which was spent with Maltese Premier Dom Mintoff.

Speculation continues whether Libya's military régime is disenchanted with Mr. Mintoff's increasing flirtation with Communist countries. The Libyans seem to expect that in return of the \$3m. given to Mr. Mintoff a couple of weeks ago, Malta should draw a more distinctly neutral line.

The Nationalist Party newspaper—our Nation—this morning said the Government's manoeuvring with Libya and East European countries will lose Mr. Mintoff his credibility.

But what most seem to be disconcerting here is the possibility that Mr. Mintoff and President

Khedafi will discuss closer co-operation, particularly on enhancing Libya's position abroad, which Malta might help secure through its missions in Europe and the UN.

While most fear that President Khedafi is disappointed with the Maltese Premier, the position could be quite the reverse. Mr. Mintoff has already told Parliament that Libya is ready to give the island more cash.

With the end of the month getting nearer and Mr. Mintoff still complaining of cash flow problems, Major Jalloud could have brought the Maltese Premier encouraging messages of more financial aid.

Pictures in this morning's newspapers showed Mr. Mintoff greeting Major Jalloud in an obviously warm manner, indicating smooth relations rather than the other way about.

Metal workers pledge support for SEAT men

BY OUR OWN CORRESPONDENT

LAUSANNE, Oct. 26.

CONTINUED support for the workers of the SEAT automobile plant in Barcelona was pledged today by the International Metal Workers' Federation as it began its twenty-second congress here.

Confidence was expressed that should circumstances require action against Fiat in Italy there would be a solid response on the part of the affiliated workers there.

An assistant secretary general of the Federation, Mr. Daniel Benedict, rejected as "totally insufficient" the reply received from the Fiat management in

Italy on the conditions in the Barcelona plant. The Fiat argument that the local management was at fault could not be accepted since "SEAT is, in effect, 40 per cent owned by Fiat." That the remaining majority shareholding was in the hands of the Spanish Government did not prevent the Spanish plant from being integrated in Fiat's international operations.

The congress lasts until the end of this month. Its central theme concerns the tasks of the federation in times of social change.

Financing dispute places aerotrain in jeopardy

BY ADRIAN DICKS

PARIS, Oct. 26.

THE FUTURE of the world's first projected aerotrain system, to be built on the western outskirts of Paris between the new town of Cergy-Pontoise and the existing office-building complex of La Defense, appears to be in the balance unless a dispute over its financing between the French Government and the Paris regional council can be resolved.

The regional planning authorities have never made any secret of the fact that they would have preferred the aerotrain to have been built between Orly airport, south of Paris, and the new airport near Roissy, to the north, by way of

the eastern suburbs. This project, which carries more prestige, was turned down last July by the Government on grounds of expense in favour of the Cergy-Defense link, which had previously been earmarked for a new suburban railway line.

By way of riposte, the regional authority is now refusing to give its blessing to the Cergy-Pontoise route unless the Government gives it watertight guarantees that it will pay the difference between the Francs 133m. (nearly £10m.) set aside for the railway line and the Francs 317m. estimated cost of the aerotrain alternative.

MALTA

The compromise facing Mr. Mintoff

BY GODFREY GRIMA, MALTA CORRESPONDENT

THE AGREEMENT reached over dinner at Chequers last month between Mr. Edward Heath and Mr. Dom Mintoff has by no means completely defused the account of Mr. Mintoff's ideal—crisis over the terms on which Britain may continue to use Malta's military facilities. The Prime Minister merely agreed that the £9.5m. aid offer eventually made by Britain (to which NATO allies will contribute an undisclosed amount) should be the starting point for the negotiation of a new defence treaty. But two hurdles have to be cleared before the U.K. forces can face the British, their old island. First, the two sides must arrive at a figure which Mr. Mintoff will consider adequate for what he sees as the rental of the bases; secondly, a formula must be found which satisfies Mr. Mintoff's aim of bringing his country into a new era of political neutrality.

Neither hurdle should be insurmountable. In the course of the diplomatic exchanges which followed Mr. Mintoff's declaration after the June elections that the 1964 Defence Agreement (which had another three years to run) was a dead letter, the aid offered to Malta in return for the bases was nearly doubled from £5m. to £9.5m. In Maltese eyes, this flexibility and the evident concern in NATO that Malta should not be left in a vacuum for the Soviet Union to exploit seemed to shatter the theory that the island had lost its strategic importance—even if their long flirtation with Italy.

More practically, Mr. Mintoff is largely the negative one of denying facilities to the enemy. At the same time, however, £9.5m. is a long way short of the maximum target of £30m. which Mr. Mintoff is believed to have set originally or the £15m. which appeared to be his minimum requirement.

The second problem is, perhaps, basically a more ticklish one because it could be difficult to square continued British use of Malta for what are acknowledged to be NATO purposes with Mr. Mintoff's aspirations of non-alignment. Originally, the Government in August gave Mr. Mintoff £1.5m. as aid to help him meet his cash crisis and enable the facilities exclusively limited civil servants to be paid. Yet to U.K. forces, but to be of Mr. Mintoff can be under no value to the U.K. only. In practice, illusions that Libya could pro-

vide a plausible alternative in financial terms to the minimum of £9.5m. a year which Britain and NATO countries are prepared to pay, with further economic development aid to be negotiated bilaterally with members of the Alliance. The spending of the U.K. military presence is also currently bringing money into the islands at a rate of £14m. a year.

Exactly how much aid—apart from the £1.5m.—Major Abdussalam Jalloud, Libya's Minister of the Economy, was prepared to give has never pub-

licly emerged (Major Jalloud is visiting the island again this week) but it is clear that strings were attached. There may have been an attempt to make Libyan aid dependent on Britain renouncing a NATO role for its forces. If he accepted a Libyan offer on such a condition, Mr. Mintoff could not expect to exact as big an increase in the rental for military facilities. It is likely, too, that the Libyans may have pressed—or would do so in the future, if an aid deal was concluded—for Malta to break off relations with Israel.

This, Mr. Mintoff would refuse to do: he has long been a friend of the Israeli Labour Party leadership and even tried to act as an intermediary between Israel and



Mr. Dom Mintoff

President Nasser in the 1950s.

The Maltese, including their Prime Minister, know about Libya's reputation for having a tight fist and not honouring obligations. In particular, there has been the £600,000 in payments due to businessmen that has been blocked by the Libyan Government. Mr. Mintoff returned from one of his trips to Tripoli in the summer with the glad tidings that the money would be unfrozen—but it has not been yet. The Maltese understand that any dependence on Libyan aid would be problematical and likely to be subject to the whim of the present régime.

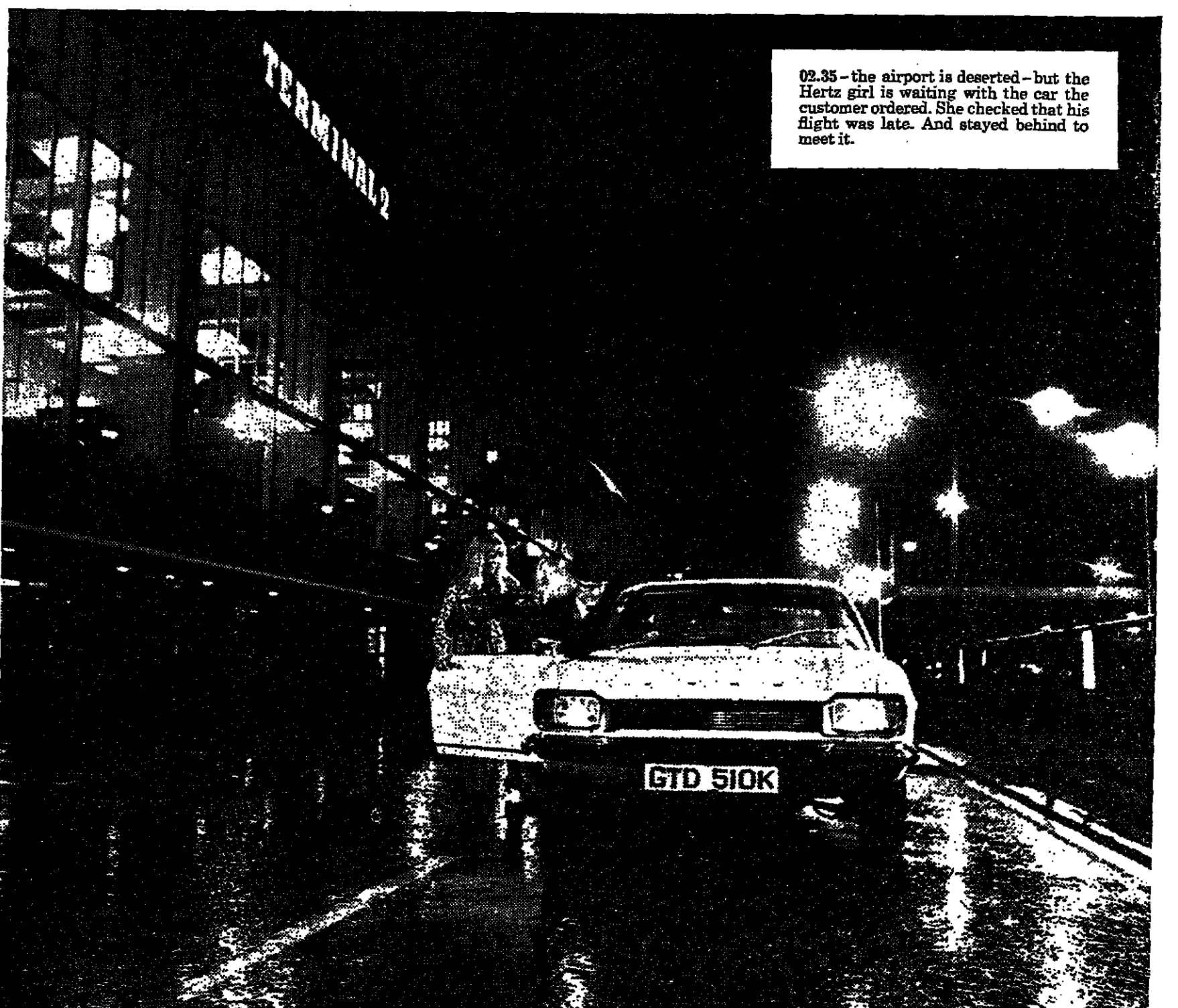
Equally important, the Maltese share no social, intellectual, cultural and—still less—religious interests with the Libyans. It is believed that several hundred young Libyans would be admitted in the next few years to the Royal University of Malta. In practice, the Maltese harbour an extraordinary aversion to the large-scale entry of Libyans into Malta. Mr. Mintoff was sufficiently sensitive to this feeling to tell television viewers recently that it was his political opponents who were spreading rumours about the imminent arrival of large numbers of Libyans. Colonel Khedafi's Islamic fanaticism cannot be lost on a people as devoutly Roman Catholic as the Maltese or, for that matter, the unhappy experience of many Maltese who have worked in Libya, including those who were mistaken for Italians at the time when the latter were expelled last year.

Although Mr. Mintoff's pursuit of an independent national identity has found a response in the electorate, no one wants to see links with Britain and Europe broken. Indeed, last year's agreement with the Common Market, which is designed to bring about a full customs union over the next decade, must mean that Malta is bound closer to the Continent. But Mr. Mintoff will want to develop commercial relations with East Europe and this may mean diplomatic links. Every time Dr. Borg Olivier was recommended to start some sort of diplomatic link with Bulgaria, "Third World" Malta.

Poland or Hungary the proposal was turned down. A Foreign Ministry official once told me, "Those are the naughty countries in the Communist camp which we keep at an arms length." So far Mr. Mintoff has shown no signs of granting the Soviet Union's long-standing request for an Embassy and there is still sufficient suspicion of the Soviet bogey among a large part of Malta's population to make this a hard step for him to carry out. Yet if the quid pro quo is more orders for ship repairs for the Drydocks then Mr. Mintoff must be prepared to pay the price of allowing a Russian Embassy to be established.

As yet Mr. Mintoff has done little to show his mettle as the radical, socialist Premier of his image. The financial defence dispute has been the overwhelming Government preoccupation. It also meant the cutback in public expenditure and the freezing of development contracts (which have also been under review). Now that he has accepted the £4.75m. in British orders for ship repairs for the Drydocks, he has been able to award a 15 shilling a week wage increase in Government employees and a rise in pensions. However, until a new deal is negotiated with Britain and NATO, Mr. Mintoff will have to cut his socialist coat to the cloth which he has. In the long-term he may have to settle for a lower growth rate than the average of 8.3 per cent. in real terms recorded under the Nationalists from 1964 to 1968 during the heady days of tourism and the properly business.

Even to achieve a more modest 5 per cent, it looks as if Mr. Mintoff will be heavily dependent on what he can extract from Britain and NATO Allies. Libya and East Europe would provide little alternative even if they were politically acceptable as large-scale donors. As a Socialist Prime Minister, Mr. Mintoff's main concern must be the economic well-being of his people. For this reason, he will probably have to compromise on his ambitions for a fully neutralised diplomatic link with Bulgaria, "Third World" Malta.



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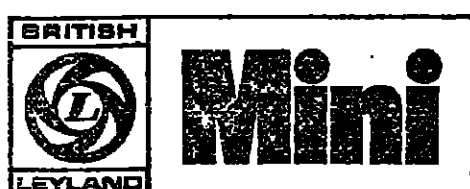
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What have we got that Europe wants so much?



Other Overseas News

Bush puts blame on treacherous friends

By Our Own Correspondent

UNITED NATIONS, Oct. 26. THE U.S. smarting under the worst defeat it has ever sustained in the UN, today blamed member states who went back on their given word for last night's defeat of its efforts to save representation for Taiwan.

Mr. George Bush, the chief U.S. delegate, who led a campaign of unprecedented vigour to prevent the expulsion by voting the two-thirds majority for the U.S. would obtain "just faded into this air," Mr. Bush said: "There were firm commitments where people just went back on their word. I cannot think of any other way to phrase it."

Moment of infamy

Earlier, as the Assembly adjourned having voted by more than a two-thirds majority when simple majority would have sufficed to admit Peking and expel Taiwan, Mr. Bush, using unusually harsh language, termed the action a "moment of infamy" that he said he hoped the UN would not re-live.

The events which led up to last night's dramatic vote came with surprising suddenness. It had not been expected that the assembly, which had been debating the China issue for a week, could reach the voting stage so soon. The U.S. was understood to have worked to that end, going to the extra time to obtain more commitments of support for its procedural resolution, the crucial element in the scheme.

The British delegation, which had expressed confidence in the final result ever since the Assembly opened on September 21, and this in spite of growing optimism on the American side, contributed to be part of the U.S. position. Acting on Sir Alec Douglas-Home's instructions to oppose procedural obstacles to Peking's entry, the delegation voted against the postponement of voting, which delivered the setback to the U.S., voted against the according of priority to the American procedural resolution and against the two-thirds majority resolution.

Then Britain joined 75 other members that voted for the substantive resolution to restore the lawful rights of the People's Republic of China in the UN and "expel forthwith" the Chinese Nationalists. Countries which had been expected to vote just or abstain on that draft, Portugal, for instance, re-announced those that decided to on board the bandwagon on the result became obvious.

Vote breaking
Anticipating the expulsion decision as the defeat piled up, including the rejection of all Arab amendments designed to achieve a two-thirds majority, the Nationalist Foreign Minister, Mr. Wu Shu-kai, went to the drum and announced, his vote breaking, that Taiwan's delegation would not participate further in the proceedings. He led the delegation out of the assembly hall. At a Press conference immediately afterwards, Mr. Chow predicted that Chinese who would succeed him in the UN would transform the organisation "into a hot front and a battlefield for national subversion."

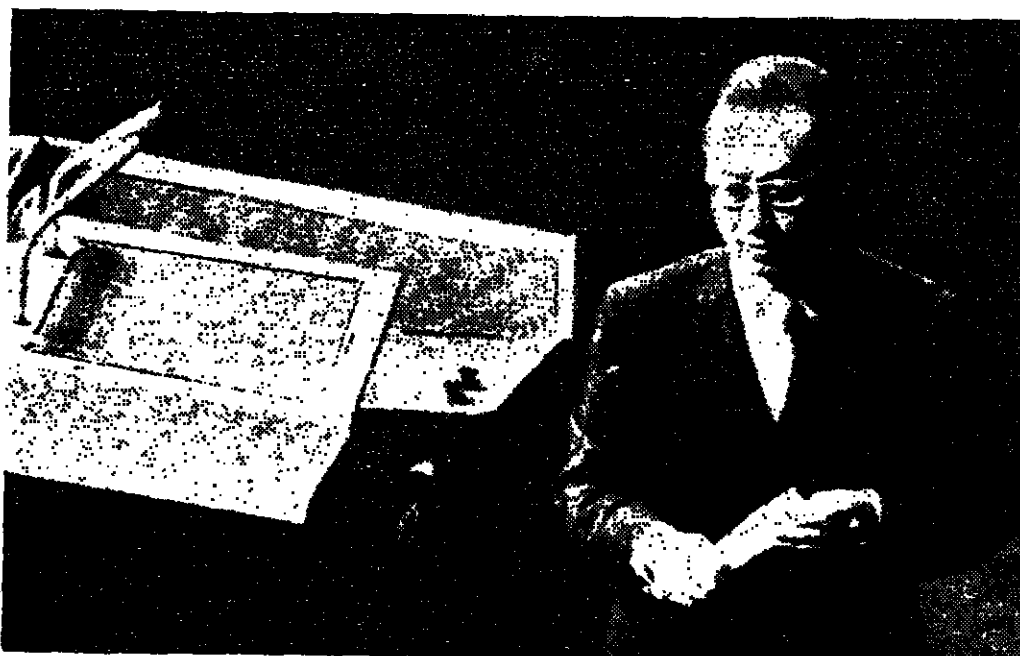
Early today U Thant, the Secretary-General, dispatched a cable to Peking informing the Chinese Foreign Ministry of the assembly's decision. As delegates gathered to continue the China debate, its "explanation of vote" stage, no real response had been given from Peking. The general expectation was that arrival of the first Chinese Communist delegates would, however, be long delayed.

CHINA AND THE UN

U.S. faces backlash of defeat

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Oct. 26.



Taiwan's Foreign Minister, Mr. Chow Shu-kai, turns away from his lectern and leaves the UN General Assembly. Shortly afterwards the vote was called on the Albanian resolution to expel Taiwan and allow the Communists as representatives of China.

THE U.S. Administration will face new domestic difficulties as a result of the defeat of its two-China policy in the United Nations last night, but as yet there is no sign that it has been irritated or discouraged.

On a longer term view, however, much will depend on how China behaves in the world body and above all on the Security Council. Like most other major countries, the U.S. believes that while its presence is bound to make conciliation more difficult it could also make it more real.

Nevertheless, should the pessimists prove correct and China disrupts the whole delicate process of negotiation and compromise, it is clear that last night's vote could quickly lead to a serious loss of confidence in the world body both in Washington and elsewhere.

From the Administration's point of view, the fact that the President is going to Peking is simple proof that the U.S. retains its dominant role in world affairs despite the UN reversal. Indeed, on balance Taiwan's expulsion can only help the President's mission since the Chinese have insisted all along that they would never join if Taiwan remained a member, and not everyone has been convinced that the Americans could really talk them round as they claimed.

But since successive Administrations have defended the Chiang Kai-shek regime in the UN for less than 21 years until now, President Nixon was bound to fight hard and publicly to defend its rights even though he might feel an accommodation with the mainland was the overwhelming priority. At best the voting calculations behind the

Two-China approach were razor thin and the fact they went wrong was scarcely a greater surprise to the more hard-headed American officials than it was to the many allies who had never disguised their scepticism.

As things stand now, President Nixon can claim plausibly to have tried to carry out his obligations in the affair and there is certainly no question of the reducing any of its other commitments to Taiwan for the moment.

Nevertheless, right wing circles have been angered by the spectacle of a public set back to American diplomacy and minor diplomats dancing with glee. Twenty-one Senators and 35 Congressmen have already threatened to cut the U.S. contribution to the United Nations if Taiwan was expelled and although the Senate majority believes the project will get nowhere, there is certain to be some increase in anti-UN feeling in Congress and the country.

How far this will go must depend very much on the amount of leadership the Administration is prepared to show. But such feelings are the natural ally of the new mood of protectionism and retreat that is characteristic of American society today and American society today and American society today.

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The current agenda for the Security Council already includes a number of sensitive issues on which should provide a pointer to Peking's readiness to negotiate seriously with its ideological enemies. These include a proposal for "dialogue" with Pretoria on the South West African question; reports on the dispute between Senegal and its neighbour Guinea; and the Secretary-General's report on the African question.

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China hints at acceptance

PEKING, Oct. 26.

CHINA'S leaders, displaying a rare exuberance, hinted to-night that Peking would soon send a delegation to New York to take its newly won seat in the United Nations. But Prime Minister Mr. Chou En-lai, who has been in such a mood of triumph, said "no comment" when approached by correspondents at a diplomatic reception.

The Prime Minister, with other beaming Chinese leaders, acknowledged warm applause as they went from table to table shaking hands with guests in the gilt hall of the capital's Peking Hotel. In a speech China's acting Foreign Minister, Mr. Chi Peng-fei, said the UN vote was a victory for the people of the world.

Asked by correspondents when the Chinese delegation would leave for New York, he said "this is a matter we are considering." He later sent his interpreter to tell the correspondents his remark had been "quite significant." This was considered by diplomats of long-standing here to mean that China might soon take its seat.

Mr. Chi made a bitter attack on the American policy just eight hours after the U.S. special envoy, Dr. Henry Kissinger, left Peking after working out the schedule for President Nixon's visit to China. Mr. Chi said the UN vote demonstrated the complete bankruptcy of the policy long pursued by U.S. imperialism.

U.K. welcomes decision
BY CHARLES SMITH, FAR EAST CORRESPONDENT

BRITAIN yesterday welcomed the admission of China to the United Nations pointing out, in a statement by a Foreign Office spokesman, that it had been voting for it since 1961. There was less optimism, however, that the UN vote would mean a breakthrough in bilateral relations between Britain and China. The two countries have been discussing the terms for an exchange of ambassadors since early this year (at present the U.K. has only a Chargé d'Affaires in Peking). They have not been able to settle the wording of a joint declaration on the status of Taiwan which Peking insists should accompany the exchange.

It is understood that China wants Britain to declare that Taiwan is an integral part of China, whereas the current British position is that the status of Taiwan is "undetermined." The proposals and counter-proposals have been made about a form of words which might bridge this gap, but no solution has yet emerged. One possibility is that each side might state its position separately with both subscribing to a final compromise declaration.

The last meeting between British and Chinese representatives took place in Peking on October 5. The Chinese have not asked for another meeting since that time, thus allowing the talks to lapse for the longest period since they began. It is very likely that China held back because of the imminence of the UN vote, but now that the vote has taken place it does not necessarily follow that it will be in a hurry to reach agreement with Britain.

What is certain is that China will find itself faced with a rush of applications from countries anxious to improve their bilateral relations now that the People's Republic is a member of the UN.

Moscow concern at vote
BY OUR OWN CORRESPONDENT MOSCOW, Oct. 26.

In spite of the official statements of approval which are bound to be released shortly in Moscow it is clear that China's admission to the United Nations is not welcomed by the Soviet Union. Ten or 15 years ago it would have coincided with Soviet intentions but to-day it is viewed with alarm.

The expulsion of Taiwan is also disapproved of here as it is thought that the American plan of two Chinese seats would have maintained a certain balance of views. Having supported the admission of the Peking Government for 30 years the Soviet Union could hardly change its

policy at the last moment, especially at a time when China's more outward looking policies make her admission to the UN seem imperative to so many governments.

In Moscow, however, there are mixed feelings towards China's recent initiative on the diplomatic front, as the Soviet reaction to the announcement of President Nixon's visit to Peking showed, even if the fear of an anti-Soviet alliance is not as deep as the Soviet news media make it appear. Also important is the fear that China will usurp the Soviet Union as the protector and ally of the countries of the Third World.

Taiwan suspended diplomatic relations with Belgium following the announcement.

INDIAN official sources welcomed China's admission, pointing out that India was the first country to sponsor the move to seat Peking.

SINGAPORE: China's admission adds urgency and point to the Foreign Ministers' meeting of the Association of South-East Asian nations on November 25 in Kuala Lumpur, recently arranged to discuss regional relations with China.

Reprisals continue against unarmed East Pakistanis

DACC, Oct. 26.

IN SPITE OF the military regime's persistent denials, the Pakistan army and police continue to take reprisals against unarmed civilians living where the Bengali rebels operate, even within sight of the residence of the new civilian governor in the middle of Dacca.

Authoritative sources say the American Government also continues to urge the Pakistani army to halt the attacks in an effort to create a tranquil atmosphere to attract back some of the millions of refugees who have left East Pakistan since March 25, when the army cracked down against the Awami League and its leader, Sheikh Mujibur Rahman, throwing the predominantly Bengali province of 75m. people into civil war.

The sources said American Congressman Peter H. B. Frelinghuysen (Rep., New Jersey) was instructed to ask President Yahya Khan about attacks on unarmed persons when he met the military leader in Rawalpindi during his tour of Pakistan earlier this month.

According to the sources, the President denied shootings are taking place and would not concede they might even have happened accidentally.

Evidence of reprisals is a burned strip 200 yards square in the Dayaganj residential district astride the railway line connecting Dacca to its river port of Naraynanj, 11 miles away.

According to eye-witnesses, troops, police and volunteer "razakars" burned dozens of homes and shot scores of people a week ago, an hour after two men believed to be members of Mukhti Bahini, the Bangla Desh freedom army, gunned down in daylight six soldiers in a patrol.

No weapons

Survivors claimed the reprisals took the lives of at least 50 persons and many others were wounded as forces carrying automatic weapons went from house to house firing into rooms and setting buildings afire.

From the top of one bridge one can count at least 60 homes razed to the ground. Residents said the families have fled from most of the 300 houses in the neighbourhood of shopkeepers, labourers and petty Government officials.

There was no Mukhti Bahini when the army came, said one civil servant. "I'm a Government servant and I tell you no person had a weapon."

The residents readily spoke to AP about the attack, despite the presence of armed guards at a nearby rail bridge and crossroads, but they refused to give their names for publication and one shopkeeper said the people feared agents of the criminal investigation division of the police.

The neighbourhood is about three miles from the residence of the new Bengali civilian governor, Dr. A. M. Malik. The scene of burned houses, twisted corrugated iron roofs and rubble is reminiscent of the appearance of Dacca after the army struck last March 25.

The bridge guards said the Mukhti Bahini killed at least four soldiers and wounded two others. Apparently the rebels disappeared without being harmed. The incident was one of a series of exchanges of fire which residents said are occurring almost nightly throughout the capital city.

Houses in Dayaganj still had blood splattered walls and floors and rents torn in their bamboo doors and walls by bayonets. The army had no immediate comment but officers have said frequently troops are ordered only to fire when fired upon.

AP

Israel firm on Suez

BY OUR OWN CORRESPONDENT

JERUSALEM, Oct. 26.

ISRAEL was not ready to agree to any conditions within the framework of an agreement for the re-opening of the Suez Canal which would endanger its security—whatever pressure is exerted on her even the withholding of military parties essential to her defence, Mrs. Golda Meir, the Israeli Prime Minister, declared in the Knesset (Parliament) here this afternoon.

She explained that "worrying change" had taken place over the past eight months in the American approach to such an agreement and that for several months past the U.S. had not responded positively to Israel's request for more aircraft. The withholding of these aircraft is encouraging the Egyptian Government to launch an attack on Israel, she warned.

The changes in the American position regarding the terms for an agreement permitting the re-opening of the Canal were likely to harden Cairo's stance and possibly prevent its realisation she added. The Prime Minister stressed, in particular, the fact that Washington which had originally been opposed to the crossing of the Canal by Egyptian military forces within the framework of such an agreement had of late acceded to the Egyptian demand for such a crossing as part of the proposed agreement.

RELAXATIONS in two areas of monetary policy were announced to-night by New Zealand's Minister of Finance, Mr. Robert Muldoon.

Trustee Savings Banks will be allowed to reduce from 60 per cent to 57 per cent of their deposits the amount that they are required to invest in Government Stock. That should release about \$N214m. for the private sector investment, Mr. Muldoon said.

He also said the guideline for growth in trading bank lending for the year ending next June will be increased from nine per cent to 11 per cent.

NZ eases money curbs

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Reuter

Halcyon Days indeed

"Come and give us a hand," said Court Line, "to build a hotel for Halcyon Holidays on a sun-drenched island in the glorious Caribbean." We didn't argue. We took off our jackets and went to work.

Result: the Halcyon Days Hotel on St. Lucia. A 256-bedroom scheme which opened in May 1971 to serve the luxury tourist trade.

Wimpey's world-wide experience and talent for organisation blended very smoothly with local manpower and resources.

Mind you, building a totally modern full-service hotel on a delightful Caribbean island was nevertheless a complex job. That's why Wimpey was chosen, because of the scale and detail of the planning involved (it extended to responsibility for the actual shipping of specially selected furnishing and fittings).

And we had one consoling thought as we finally packed up and left St. Lucia. Our know-how is in demand all over the Caribbean. The Halcyon Days is our fourth hotel there!

Consultants: R.W. Marshall and Associates of Trinidad

WIMPEY

ST OF WORLD REACTION

Grave crisis for Japan's Sato

PAN: The expulsion of weather the intense political storm about to break around his ears and may well survive in office until he calls national elections, probably sometime next year after he achieves his goal, the reversion to Japanese control of Okinawa.

But the unpleasant post-mortem of the largely discredited China policy over the next month or so undoubtedly will be shattering to Mr. Sato's hopes of replacing himself with either Foreign Minister Mr. Takeo Fukuda or possibly Minister of International Trade and Industry, Mr. Kakuei Tanaka. A great deal will depend on how well the three men trim their sails in dealing with various party factions. Mr. Fukuda in particular is likely to suffer from loss of support of pro-Peking LDP members.

Despite the fact that about half-Hong Kong's 4m. population are refugees from Communist China, it is difficult to test a great deal of sympathy for Taiwan.

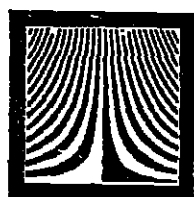
● BELGIUM announced that it has established diplomatic relations with China after nearly six months of negotiations.

M. Pierre Harmel, Foreign Minister, said that the question of Peking's claim to Formosa did not directly affect relations with China, and that his Government "reserves its position" on this issue.

Taiwan suspended diplomatic relations with Belgium following the announcement.

INDIAN official sources welcomed China's admission, pointing out that India was the first country to sponsor the move to seat Peking.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SAFETY

Detecting natural gas leaks

TWO detectors for natural gas leaks in blocks of flats and offices, schools and private premises of large sizes are being launched immediately in the east and west Midlands by J. and S. Siegler, of 31, Nuffield Estate, Poole, Dorset. The company is concentrating on these two areas initially because the North Sea gas system is extensive and use of this new fuel is at a high level, both by industry and domestically.

Two models are the 1100 and the 1120. Both will raise an alarm at a pre-determined level, well below danger limits, and switch on a red warning lamp or lamps. The 1120 has the facility to give a warning at a second pre-selected level and at this point

it will close control valves or initiate other shut-down procedures. Operating range of both units is 0 to 100 per cent. of LEL—lower explosive limit—of natural gas, which corresponds to 0.5 per cent. by volume of methane. Alarm levels can be pre-set from 10 per cent. of LEL.

The equipment is based on electro-catalytic action in a continuously functioning sensor. The whole device, which runs off the mains electricity supply, is about the same size as a domestic meter. Its control panel carries a red warning light together with a pilot lamp to show that it is in fact switched on.

Initial design and installation of the instrument took place in eastern Europe and many of them have now been installed there, as well as in the Benelux countries.

In Eastern Europe, their installation in unattended boiler houses has been made compulsory.

These instruments which are understood to come within the Gas Council's code of practice for large gas and dual fuel burners bring within the scope of centralised heating and hot water boiler houses the same degree of protection from leakages and explosions as provided by much more sophisticated and expensive

equipment designed to watch over large processing plants. The suppliers of the new units have a considerable degree of experience in gas detection work and over the past few years have installed equipment able to sense many types of gases and vapours which can escape during petroleum and petrochemical manufacture.

COMPUTERS

Univac limbers up

SIGNIFICANT moves have been announced within the Univac organisation in Britain which are likely to result in the sharpening of its sales effort in several areas of U.K. industry.

A fresh drive to sell the 9000 series machines will be the first move and, according to the new managing director, Mr. Desmond H. Fletcher, new product announcements will follow in the near future.

The drive will increase Univac activities in provincial centres and it will undoubtedly receive impetus from a new education centre which the company is completing at Acton. This centre

will have the capacity to take 150 students and it will be equipped with 9000 series hardware. Meanwhile, the company has been expanding its already substantial International Research and Development Centre at Westbourne Terrace. An 1108 computer—worth around the £1m mark—is now installed alongside the existing 484 and two 9300 computers. This adds a very respectable slice of computing power to the centre, originally set up to support the company's real-time activities all over the world.

The total value of the equipment installed at IRDC now runs

to over £2.5m. Apart from the four computers it contains, there are a number of terminals and the centre has the capacity to support a vast number of these. Both the big machines have noted time-sharing qualities which are being put to good use in various comparable installations in the U.K.

With the further increase in Univac's involvement on the U.K. market, two new appointments have been made. Mr. W. R. Read becomes western region director, while Mr. P. G. Comley moves to the post of director of headquarters management.

The company last year opened a major manufacturing facility in Scotland and this, with the latest moves, make Britain an important stronghold in the company's European sales strategy.

COMMUNICATION

ITT message switching for TWA

ANOTHER big store and forward message switching system of the same kind as those supplied to the BBC and Reuters in the UK has now been made operational in the United States for TWA by International Telephone and Telegraph Corporation.

These systems, which have been pioneered by ITT for the last decade, make use of computer control for the smooth and efficient distribution of messages over a complex telecommunications network of the kind operated by most large organisations.

The system for TWA is the 9304 ADX, handling about 175,000 messages daily and capable of expansion to some 600,000 messages, making it able to handle TWA traffic, says ITT, "for many years."

The system handles 128 input and 176 output lines, mainly 75 and 110 baud teleprinters, connecting airports and offices throughout the world.

To obtain virtually uninterrupted performance, two sets of equipment are used: one operates in the "control" mode, responsible for all traffic handling functions necessary to receive and distribute messages; the other set operates in the shadow mode, also accepting messages but not distributing them.

If the control set fails, the shadow set assumes control of the complete traffic handling function so that no data is lost. The shadow half of the system also performs off-line processing and management reporting.

Messages are stored on disc and released by the required outgoing line when it is free according to priority.

For reliability, all messages are stored on magnetic tape as well as disc. Current messages are retrieved from disc, older messages from tape.

The 9304 ADX consists of ITT defence communications division equipment and commercially available peripheral devices. The ITT products include two processors each with 48,000 words of core storage, four communications multiplexers, six disc/tape controllers and one supervisory console. The peripheral devices include two disc storage units of 16m characters each, four tape drives, one line monitor unit and two line patch units and a line printer.

Plan to cut radio crosstalk

FMA Consultants are working on a contract from the Ministry of Posts and Telecommunications for the design of a system to assist Ministry engineers in assigning frequencies for prospective users of land-based private mobile radio in the U.K. This is becoming increasingly difficult to do manually owing to the expanding volume of users and the importance of assigning channels in a way that will not only minimise interference between different users but will also make the most efficient use of the radio-frequency spectrum. The design of hardware and software systems and computer base files are all included in the contract.

FMA has already completed a digital model of the terrain of most of Great Britain of interest to many public authorities and private companies which will form an essential parameter for channel selection in radio environments.

FMA Consultants, based in Horley, near Gatwick Airport, are becoming increasingly concerned in the design of real time systems, large and small.

Hotel calling system

A hotel communications system that can give a number of facilities to staff and guests is being offered by Contrax of Sydenham Road, Croydon, Surrey.

The guest's unit can incorporate a clock, morning supervision, fire alarm, presence and room status, "wake up" call, intercom, service lift signalling.

The management unit can be sited as desired; from its main display and control panel, the operator can tell the guest has not been woken, progress of room cleaning can be reported, the change maid using a special key-plate to gain intercom connection with the supervisor. The system, called "Westerstrands" and stated to be easily installed.

Eddystone radios on the coast

BRITAIN'S 11 medium-range coastal radio stations are all having Eddystone high-ability radio receivers. Contracts for over 50 receivers, are placed by the British Post Office with Eddystone Radio, a member of the Marconi Communications Systems within GEC-Marconi Electronics.

The Post Office has carried out a full operational evaluation of the receivers, Type EC987, establishing not only that the requirements for single sideband working, but also that they provide sufficient stability to cope with the more stringent requirements of the expanding Lincex traffic.

Fire fighting monitor

TWO of the first fire fighting and rescue units from Simon Engineering Dudley have now gone to the brigades. They are completely new appliances designed for all first turn-out duties and are remote-controlled elevated monitors on telescopic booms.

An escape ladder is incorporated in the units and they can be mounted on the leading marks of commercial vehicle chassis.

The "Simonitor" delivered to Lancashire County Fire Brigade is in use for trials and training; that in the hands of Liverpool Fire Brigade is in regular service.

Important so far as personnel is concerned is the fact that the controls can be operated by one man. They are grouped together at the rear of the carrying vehicle and include a one-hand lever to raise, rotate and extend the boom; fingertip controls to adjust all monitor movements and the water pattern and controls to operate the fire pump and stabilising jacks.

Tests have shown that the unit can be positioned and in full operation in as little as 63 seconds. The boom can be made to rotate continuously through 360 degrees, elevate to a maximum height of 50 feet and move in a vertical arc of minus 10 to plus 90 degrees.

Stabilising jacks lock for safety and during rescue work can be carried on the escape ladder without support to the boom tip. The swivel mounting for the water nozzle allows traverses of 90 degrees in the horizontal and 240 degrees in the vertical plane. Water patterns can be varied infinitely from full jet to full fog, the orifice adjusting automatically to the water pressure available. Quick release couplings allow a foam nozzle to be interchanged rapidly with the standard unit.

At the boom tip, a duplicate set of monitor controls is located. This is especially useful where the jet has to be directed visually over obstacles when the fire cannot be seen from the ground.

Maximum nozzle flow is ensured in low flow or pressure conditions down to 200 gallons (800 litres) a minute and water capacity is 200 to 800 gallons (900 to 3,550 litres) per minute. Capacity for low expansion foam is 3,300 gallons or 15,000 litres per minute at 150 psi (10 kg per square cm).

The company has developed this equipment to complement the Simon Snorkel range of fire-fighting units. These have now been sold to 41 countries around the world. Further information on the new installations can be obtained from the company at PO Box 31, Stockport, Cheshire, SK3 0RT.

HANDLING

Lifting empty containers

FOR handling empty ISO containers an attachment can be fitted to any fork lift truck of suitable capacity enabling it to shift containers from 20 to 40 feet long.

Of box construction, the unit is available in two basic forms—a single fixed beam model for one-size container operators, and a telescopic version with hydraulically extending lifting arms. The latter may be in two sizes, one for 20 and 30 feet containers and the other extending to 40 feet to cover the full range. The fixed beam type is available in the three standard lengths.

The units lock on the container corner castings by hydraulic twist-locks, and automatic semaphore indicators show "lock-on" and "lock-off" positions. A maintenance feature of the locks is that they are complete units in their own sealed bearing clusters, and can be quickly replaced. A fully-floating device is fitted to all models to compensate for uneven loading, or misalignment by the truck driver. All movements are controlled by a low-pressure hydraulic system.

The units are manufactured by Manns Mechanical Equipment, 181 Victoria Street, Dunstable, Beds.

PRODUCTS

Glass fibre fabric scintillates

SHOPWINDOW displays, night club decor, scenic effects, and other similar artistic applications are expected to be among the uses for a textile woven from the very fine glass fibres used in fibre optics.

The Industrial Division of Rank Precision Industries of

200, Harehills Lane, Leeds LS8 5QS, which has already introduced fibre optics into motorway signs and is seeking other applications, asked the Wool Industries Research Association whether a method could be developed of weaving the optical glass fibre, which is about the diameter of a human hair.

To achieve the desired effects the glass fibres had to be secured in small bundles at 3-4 mm spacing. WIRA found that warp knitting produced a suitably coarse fabric.

By using high-speed drawing methods the Rank Kershaw plant in Leeds is making optical glass fibres at a cost of less than 5p per 1,000 feet. Guided by WIRA's advice a mill has knitted the specified coarse fabric, and artistic and other applications are being evaluated.

By slightly abrading the surface of the glass fibres in the fabric, thus destroying the total internal reflection normally occurring, a scintillating pattern of tiny light spots can be obtained on the fabric. The glass fibre strands are bunched at the end of the fabric to introduce light, and various effects can be achieved by using different coloured lights, timing and switching devices.

The material should be available from the company at the end of this month.

Alternative potting compound

A LOWER cost alternative to silicone rubbers compounds for potting and encapsulating electronic components has been introduced by the industrial division of Radfields (Merton) of 131, Western Road, Mitcham, Surrey.

The products are based on a two component polyurethane system and can be supplied in two grades providing either hard or a flexible, resilient elastic gel which is white in colour.

The two parts of the system mix easily and the mixture pours freely around the components. At room temperature it sets within one hour without shrinkage and with very low heat generation. It can be taken out of the mould after a further three hours, or after a further 24 hours' stoving at 100 degrees C.

Excellent electrical insulating properties are claimed for the product which has a breakdown voltage of 2000 V/mm at 20 degrees C. The products are also claimed to have first class chemical resistance to oils, acids and alkalis and to be able to withstand up to 200 degrees C for short periods.

REFILLABLE aerosol cans, to spray cleaners and light oils, can reduce costs by 80 per cent. Instead of buying ready-filled tins with compressed gas as a propellant, the reusable tins are filled with the spray and pressurised from a shop air line.

Liquids to be sprayed can be light oil, degreasing compounds or graphite, says Sure Shot, of 2437, Fond du Lac Avenue, Milwaukee, Wis., U.S. Even dye for crack inspection purposes can be applied by the tins.

Unlike the usual aerosol container, the valve is built into the body of the tin and opened by a thumb lever on the side.

METALWORKING

Lost pattern moulding

A foundry process widely used in Germany, U.S. and Japan is to be introduced into the U.K. and, it is claimed, will reduce the cost of repetition castings by 15 to 20 per cent, and the cost of patterns for single castings by up to 80 per cent.

The basic process is based on the lost pattern principle, using a foamed polystyrene which is vapourised by the molten metal. Intricate castings can be produced without the usual flash, and generally without the use of cores.

The process has two methods of application. In the first the pattern is embedded in a fine, magnetisable moulding material, which is fluidised in the moulding box to ensure proper filling. The moulding box is placed in a magnetic field which locks the moulding material into the required form while the metal is poured and the pattern is vapourised. When the casting is cool enough to ensure that no deformation will occur, the field is switched off and the moulding material reclaimed. For the second method the polystyrene pattern is embedded in cold-setting sand in a moulding box. The metal is poured in the usual way.

The process can be used for both large and small castings in iron and steel alloys as well as non-ferrous metals. It can be used for repetition work where the patterns are mechanically

moulded or for single castings using hand-cut and assembled patterns, for which the foamed polystyrene is an easy material to work. The process is stated to be suitable for a wide variety of castings including machine parts, pump casings, gear housings, or other complex products difficult to cast.

The German patent holders, the European Association of Full Mold Casting, of Lampertheim, near Mannheim, West Germany, have appointed G. Perry and Sons, Hall Lane, Ayleston, Leicester, as sole U.K. agents.

Air jet to pick up fine work

HANDLING of small, thin, flat components is simplified by the use of a component handling tool manufactured by Caplin Engineering Company of PO Box 19, Hadleigh Road, Ipswich.

The tool is about the size of a fountain pen and operates from any compressed air or gas line, incorporating a replaceable micro-filter unit.

In operation the tool is held above the component and the control lever pressed, the gas or air escapes along the surface of the component creating Bernilli lift, and the component rises gently up to the cone. It can lift any material providing it has a flat surface. It has a lifting capacity of 45 grammes, depending on the air/gas pressure.

ELECTRONICS

Cleaning circuit boards

PRINTED circuit boards can be cleaned, following soldering, without the use of ultrasonic equipment using a unit called "Flowcleaner" now offered by Fry's Metals, Willow Lane, Mitcham, Surrey, CR4 4NA.

It is essentially a three tank system. First, the board is fully immersed and washed in the continuously circulating cold cleaning solvent. It then rises vertically through a solvent vapour rinse while a soft rotary brush removes any loose solids still adhering to the bottom of the board. Finally the circuits are carried to the top of the unit in a completely dry condition, and pass through an outlet path designed to give minimal vapour losses.

The overall length of the unit is five feet and the tank capacity is 50 gallons.

Mechanised points of sale

TWO developments in the mechanisation of point of sale transactions have recently been

announced, one from Britain and one from the U.S.

The U.K. development is a custom-built cash register designed for the car hire company Travelwise by MCR. It is a class 5 machine with four separate cash drawers (one for each assistant) and a register printer table for printing transaction details on customers' hire agreement forms. The system enables anticipated charges and deposits to be printed mechanically on the agreement form as they are entered through the register keyboard. Keys are pressed to indicate cash, cheque, or foreign money payment and a "previous balance" key enables the running total of outstanding charges to be maintained on all outstanding transactions.

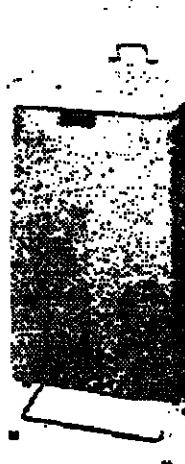
Transactions are recorded simultaneously on the form and the register audit roll and the machine issues a customer receipt.

From the American Regitel Corporation of San Carlos, California, comes news of a computer-aided electronic cash register that uses a hand-held scanning device to read off details on the price tags attached to goods. Price and stock unit related to the computer, which looks up the items and commands the register to print out a description of the merchandise on the sales slip. The company states that about twenty seconds are needed at the point of sale to record a credit sale, including a complete positive credit check of the customer's account.

Did you mention when she got the job she'd be a part time dustman too?



They're the worst part of your kitchen staff's day—the frequent trips to smelly dustbins with parcels of soggy food waste. Yet it's a job you can eliminate overnight with Reed Medway Kleensac paper sacks. Kleensacs are manufactured from tough, wet-strength kraft. Light and easy to handle, they can hold any kitchen waste. And when they're full, just fold over the top and seal. No spillage. No smells. No staff grumbles. Reed Medway back the sacks with unbeatable know-how—and a nationwide network of distributors. If you would like to know more about Kleensacs (plus the range of static and mobile holders available) just post off the coupon.



To: Reed Medway Sacks Ltd., Kleensac Dept., Larkfield, Maidstone, Kent. Tel: Maidstone 7-7777

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KDZ

REED MEDWAY put more into paper sacks

Haulage 'pirates' must go, says RHA chief

BY RAY DAFTER

THE Road Haulage Association's restrictions on the industry were to continue to press Mr. John often prompted by the behaviour of the worst rather than by the best, or even average, operators, to strengthen the industry, to present legislation restricting driver or vehicle. "What is particularly exasperating from our point of view is that the offenders are not really hauliers at all," Mr. William McMillan, its chairman, said at the annual conference in Brighton yesterday.

Professional job

Some hauliers did not bother about such "such" as operators' licences, motor vehicle tax, lorry testing, drivers' hours, minimum of inconvenience, and the "undesirable" freebooter who was feathering his own nest without regard to the general good. The RHA was certain that new

Act which allowed entry to the industry of individuals who had insufficient knowledge to preserve public safety. Licensing authorities should be required to satisfy themselves beyond all reasonable doubt as to the qualifications and financial standing of applicants for operators' licences.

Mr. McMillan also spoke out against ill-informed criticism. He said that the people who benefited most from road transport, which had helped to provide a standard of comfort and a variety of choice, were the most insistent on condemning it from the pollution point of view.

Delegates were told by Dr. Clifford Sharp, of Leicester University, that the arbitrary reduction in lorry drivers' hours appeared to have no justification at all "except possibly to boost the fortunes of French and German railways."

The possible reduction in the driving day, from 10 to eight hours, was quoted by Dr. Sharp as one of several excuses for taking action which would harm road hauliers and which would not be justified on rational economic or environmental grounds.

"Unless there is some pay-off to the community in accident reductions, the eight-hour day will merely act as an anti-productivity device which will increase prices and reduce the standard of living," he said.

Another speaker at the conference, which ends to-day, was Mr. J. H. Brown, chairman of the RHA vehicle security committee, who said that lorry thefts in the London Metropolitan police district in 1970 were 19.3 per cent lower than in 1969.

Food, drink ITB wants practice code accepted

BY ELSETH GANGUIN

THE Food Drink and Tobacco Industry Training Board wants the industry to agree to the setting up of a code of minimum training standards, it announced yesterday.

These "beginnings of a new code" are promised to be a promise of minimum training standards, it announced yesterday.

There must also be a written company training plan, showing at least one priority area for training, it would ensure that the code is complied with. There is also a promise of additional advice on the Board, on request.

In return, the ITB would go with its levy and grant plan, "and its attendant paperwork," and would introduce a new grading system more closely related to necessary time spent in the firm rather than an artificial payroll-related levy.

But there would also be a special penalty for companies which fail to meet the "minimum" and therefore do not take training seriously.

There would be many advantages, suggests the ITB, among them lower net cost to companies, a depth of training contact with the knowledge of companies (and therefore industrial understanding) which is not achieved by the present levy-grant system.

Assessment by Board staff of companies, to make sure that a knowledge of companies (and therefore industrial understanding) which is not achieved by the present levy-grant system.

Whether the "minimum practice" being met, would be based on a publication to employees of a statement of training their plans of reform, which are now being announced in quick succession.

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GARDENS TO-DAY

For Autumn tints, try a Tulip Tree

BY ROBIN LANE FOX

ANYTHING done for effect never lasts very long: jokes, banquets, sermons, son et lumiere, these are soon gone, for all the effort put into them, and once gone, they cannot bear repeating. It is the same with a newspaper or even with parts of a garden. Very effective, I think to myself, I must have seen this before, but next spring but when spring has come, the effect is quickly appreciated and next year it must be something different. It is like writing a book and being pleased if readers describe it as interesting. Once they have been interested, they will never read it again. Who ever called Homer's poems interesting, except trainees doing on the look out for a Mycenaean survival?



Liriodendron tulipifera

and less monotonous: they need the one effect of which I never tire, the changing colour of autumn leaves.

Well arranged, these three materials would set each other off. The water would reflect the wide, and in mid-April it is quite delightful, covering itself with upright clusters of white-petalled flowers, strap-shaped and seldom plundered by birds: it reminds me of a more robust winter fall too quickly: this year, for example, its finest flush lasted only five days in a high wind. But there are compensations. In June, you can hunt for the small, round fruits, interesting, of the clear yellow, my favourite autumn colour of them all, you

think of the colouring of hedges, and once you have found them, reddish-purple and utterly inedible, you will not be too excited about seeing them again. The leaves go the most glorious red in many forms, though last week I saw six massed together, two of them which were changing to yellow and making the mass even more dramatic. They do not need an exceptional autumn, like 1970, to give of their best and brightest, in front of an evergreen hedge, always a neat background for white-flowered trees, and alongside a stretch of water they would look very striking.

But you do not have to be so grand, as the front of a small suburban garden suits them just as well. A very dry place where the earth is thin and badly-fed would probably distress them. Dig leaf-mould and manure round them and they will reward you even more. Large shrub nurseries stock a variety with more virtues to its name: it is a hybrid called *Grandiflora*, with bigger flowers (hence the title) and leaves which are copper-coloured when they open in spring. It is no more difficult to grow.

If you mix these *Amelanchiers* in a big group, there is a strong chance that you will enjoy both yellow and red colouring every autumn. But in order to be sure of the clear yellow, my favourite autumn colour of them all, you

should try a Tulip Tree (especially if you live on a well-drained, limey soil) and watch its wonderful three-lobed leaves change their pale green to the brightest yellow imaginable. These are not slow-growing trees and though they can be temperamental on sticky clay soils there is no need to be shy of them.

Its name is now a muddle, though nursery catalogues have not yet adjusted themselves to the change, and technically, you should ask for the variety called *Arborea*, though in fact they will know what you mean if you just order "Snowy Mespilus" its common nickname. The true *canadensis* is not often offered for sale, which is rather a blessing as it only makes a tall thicket of suckers, whereas the one I am recommending is a proper ornamental tree. Eventually it grows about 25 feet high, not quite so off. The water would reflect the wide, and in mid-April it is quite delightful, covering itself with upright clusters of white-petalled flowers, strap-shaped and seldom plundered by birds: it reminds me of a more robust winter fall too quickly: this year, for example, its finest flush lasted only five days in a high wind. But there are compensations. In June, you can hunt for the small, round fruits, interesting, of the clear yellow, my favourite autumn colour of them all, you

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Any Merrill Lynch executive, in any office, will put you in touch with the appropriate people.

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5. MERRILL LYNCH SECURITIES UNDERWRITERS LTD.

Its president works out of Paris and it handles all new Euro-security issues for Merrill Lynch International in Europe. It has a major role in creating new and imaginative financing and international banking activities, and it handles all Merrill Lynch's offshore fund activities.

MLSU has already established a considerable reputation for strength and selectivity in managing, underwriting and retailing offerings of Euro-securities. Significantly, each new issue is checked out by both Merrill Lynch's Securities Research Division in New York, and by the MLSU men on the spot to be sure the issue has the right feel to it.

6. MERRILL LYNCH TRADING SERVICES CO. S.A.

This is the Corporation headquartered in Geneva which makes its communication and information facilities available to MLSU to ensure contacts with the other Eurobond traders. Merrill Lynch Trading Services Co. is an agent of MLSU.

Bi-monthly lists of estimated negotiated prices are available through MLTSC—and these lists provide a valuable contribution to the market in these bonds. They provide a statistical comparison of interest rates, maturity dates, prices and yields on some 150 issues—long-term debentures, convertible bonds and short-term notes. The aftermarket in Eurobonds is not maintained so much through trading on one or more European exchanges where a given Bond may be listed but by the main specialised traders. These traders make markets in many outstanding Eurobond issues and are in constant telephone and telex communication with each other. MLSU for this communication function uses the services of Merrill Lynch Trading Services Co. S.A., Geneva.

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We believe their skills make Merrill Lynch unusually effective in pricing, and unusually effective in distributing, such blocks.

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Based in London, this is the very active commodity futures area of Merrill Lynch International. It maintains the worldwide Merrill Lynch policy of never "taking a position" in a commodity itself.

In their highly specialised fields, the commodities specialists of the London team have a reputation for high professionalism. They are in frequent contact with the specialists of the Merrill Lynch Commodity Division in New York—and, of course, with the International Commodity markets in the U.S., London, and other countries.

There is an account executive in every Merrill Lynch International office who will be glad to make the commodity services of the MLBD specialists available to you.

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Centred in Geneva along with the Lionel D. Edie International Operation is the Geneva section of the Securities Research Division of Merrill Lynch. (The other sections are in Tokyo, Los Angeles, Toronto and New York.)

BEHIND ALL THE INNOVATIONS: IMPLACABLE CAUTION

Having looked through this list, you may feel that Merrill Lynch is quite unlike some of your present arrangements. This is no accident. Merrill Lynch believes that financial services are going to change. That you are going to demand more and more, one fully-rounded financial house to provide a multiplicity of services.

This is the end toward which the company is working, and the reason for some of the activities which may have surprised you.

But behind all the innovations there is the massive caution of the firm's own conduct of its affairs. This caution may have looked unadventurous, even uncharacteristic, until last year, when a cloud of uncertainty hung over the U.S. financial community.

Merrill Lynch has decided, firmly, which of yesterday's ideas must go, and which must stay. What must go is anything which impedes giving you the financial services you need. What must stay is the belief that all this activity must be firmly managed from a strong centre of financial stability.

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BUSINESS JOURNEYS FROM LONDON								
Business Destination	LEAVE LONDON			Arrival Business Destination	Hours available for Meetings	Depart Business Destination	Arrive London	1st Class Return Fare with single cabin/single sleeper
	Station	Time	Route					
France PARIS	Victoria	21 00	Dover/Dunkirk Night Ferry	08 50	12 hours	22 00	09 10	£34.50
Belgium BRUSSELS	Victoria	21 00	"	08 57	12 hours	21 55	09 10	£32.60
Holland ROTTERDAM	Liverpool St.	20 00	Harwich/Hook	09 03	12 hours	22 18	09 10	£23.40
AMSTERDAM	"	20 00	"	08 48	11 hours	21 47	09 15	£25.90
UTRECHT	"	20 00	"	08 03	11 hours	21 58	09 15	£25.50
EINDHOVEN	"	20 00	"	09 05	10 hours	20 02	09 15	£26.90
Germany OSNABRUCK	Liverpool St.	20 00	Harwich/Hook	11 02	6 hours	18 19	09 15	£31.95
COLOGNE	"	20 00	"	10 55	8 hours	19 19	09 15	£34.15
DUSSELDORF	"	20 00	"	10 30	8 hours	19 42	09 15	£33.70
DUISBURG	"	20 00	"	10 19	8 hours	19 49	09 15	£33.05
ESSEN	"	20 00	"	10 34	7 hours	17 55	09 15	£33.70

DINING FACILITIES
Harwich-Hook
Greek Eastern Hotel next to station for dinner or dinner on train to Harwich.

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Breakfast on ship or on trains to Utrecht, Eindhoven and all German cities.

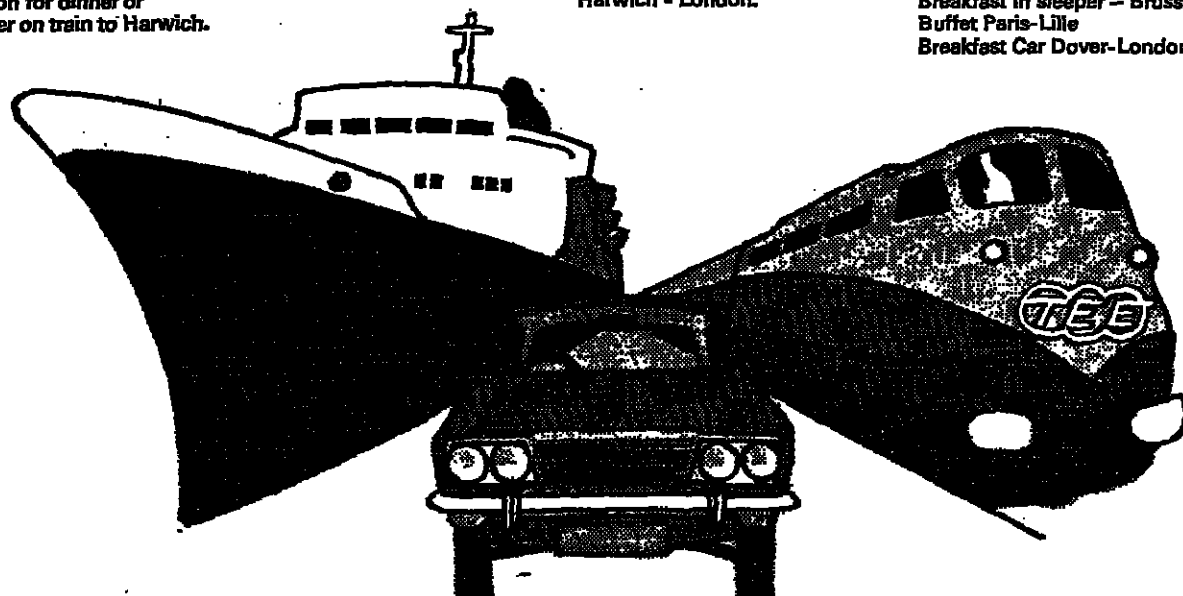
Dinner on ship or on return.
Breakfast on ship or on train Harwich - London.

London-Paris/Brussels
Bar & Restaurant Car London-Dover
Breakfast Car Lille-Paris
Breakfast in sleeper - Brussels
Buffet Paris-Lille
Breakfast Car Dover-London

	Train Time for Harwich-Hook Service	Train Time for Night Ferry	Arrival Time on Return Journey
Brighton	17 45	19 45	11 37
Southampton	17 38	19 38	11 40
Bristol	16 45	18 15	12 34
Swindon	17 03	19 50	11 43
Reading	18 05	20 06	11 03
Oxford	17 35	19 28	11 08
Birmingham	17 15	19 15	11 48
Coventry	17 33	19 33	11 28
Leicester	17 32	19 31	12 23
Nottingham	17 00	19 00	12 19
Manchester (via London)	16 05	17 40	13 40
Peterborough	17 20	19 54	11 20
Leeds	15 30	17 00	13 43
Ipswich	20 42	19 43	11 51

- all these timings are approximate and allow 1 hour, ample time for transfer from one terminal to another in London.

Your secretary can easily book you on a Sealink train-and-ship or Car Ferry by telephoning 01-834 1893 (Victoria) or 01-247 9812 (Liverpool Street), or by contacting any British Rail-appointed Continental Ticket or Car Ferry agent or principal railway station.



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SPORT: TENNIS

Enlarged Grand Prix bait to combat Hunt threat

BY JOHN BARRETT

IT WAS clear from the ILTF Press conference held yesterday at Wembley during the Embassy Championships that there is no weakening in the official attitude to the growing threat to the control of the world game posed by World Championship Tennis Inc.—the Dallas-based group which controls 34 of the world's leading players.

Worried

Alan Heyman, ILTF president, said: "I do not see that WCT can play a positive part in tennis." This remark admits that the ILTF are worried that the control of the game is in danger of falling into the hands of Lester Hunt, the oil millionaire who controls WCT. Mr. Heyman said he was still ready to talk with Mr. Hunt to consider ways of overcoming the present deadlock and the ban on all contract professionals which the ILTF will impose on January 1 but only if Mr. Hunt is prepared to drop any ideas of controlling the make of ball to be used in championships, negotiations of all TV contracts, and deciding the type of tie-break to be used.

For 1972 Mr. Heyman disclosed that there would be an enlarged Grand Prix competition with increased prize money and round the world air tickets for leading players. These moves, he said, were made with the express hope that the present leading independent players would be saved from the clutches of WCT. While recognising the right of every top sportsman to earn as much money as possible in a career, Mr. Heyman said that the standard of other occupations he wanted that money to be earned from ILTF-controlled events rather than WCT ones.

He felt confident that all national associations affiliated to

the ILTF would stand by the ban and not be tempted to stage WCT events of their own.

What all this amounts to is that no progress towards a settlement has been made since July. While one can sympathise with the official worry about the dangers of losing control it is sad indeed that the public will again be the ones to suffer. After three years of open tennis where the champions were known to be the best players in the game there will be a return to the unsatisfactory, schizophrenic situation that existed before 1968 with two worlds which will never meet.

I believe the ILTF is shirking its responsibility to the public which has supported it loyally with booming attendances at Wimbledon events around the world by not being themselves prepared to take the initiative in seeking a settlement that was fair both to national associations and to the professional promoters who have proved beyond doubt that the game can be organised and promoted in a popular and profitable manner.

Another seed out

Meanwhile in the Wembley arena another seeded player fell to defeat following the carnage on Monday. This time the Czech Jan Kodeš, seeded five, was beaten 3-6, 5-7, 8-6 by the American Tom Gorman—the man who put out Rod Laver at Wimbledon. Kodeš must have been kicking himself, for he had only himself to blame for his defeat. After winning the first set comfortably he surrendered the second with a double fault to lose his service for the first time and then in the final set broke immediately to go 3-0 and 4-2 ahead. Gorman held for 3-4 and then, though he lost a own service after leading 4-0.

Five consecutive points went against him but in the next game he had the chance to go ahead once more as Gorman, serving now with the new balls, stood 0-40. On the first break point Gorman, more in hope than seriousness, did a little dink across the court from wide of the forehand side line. It was a winner and the surprise seemed to cast a spell on Kodeš, who saw four more advantages disappear as Gorman finally held his serve on his fifth game point.

Two games later Kodeš held three more advantages to break serve, but Gorman held firm again to go 6-5 ahead. The Czech, looking dispirited now, finally surrendered his service in the 14th game.

The last of the first round matches produced a British win as Marx Cox scored a workmanlike win against the Yugoslavian Zeljko Franulovic 6-3, 6-4. It took Cox only 44 minutes to complete a match that should have been played on Monday but was delayed due to the Yugoslav's late arrival.

In truth, Franulovic never got into the match and surrendered his serve twice, in the fourth game of the first set and the fifth game of the second, without ever threatening to break the left-handed delivery of the Englishman.

True to form

The ladies at least ran true to form: the second seed Billie Jean King beat Britain's Shirley Brasher with ease, Françoise Durr of France, the fourth seed, disposed of another English girl, Corinne Moleworth and Virginia Wade, blowing hot and cold as usual, resisted the challenge of Nellie Harrison, though she lost a spiritless second set in doing so.

CODE OF INDUSTRIAL RELATIONS PRACTICE

Taking account of industry's views

BY JOHN ELLIOTT, Labour Editor

DURING the next couple of months Mr. Robert Carr's Department of Employment will be finalising important revisions to the Government's proposed Code of Industrial Relations Practice so that it can be presented to Parliament at the turn of the year and then implemented to stand alongside the Industrial Relations Act.

Since Mr. Carr produced his consultative document on the Code in June he has received a mass of comments—many of which guarantee that there will be many changes in the new draft—from companies, employers' organisations like the CBI, and other bodies such as the Industrial Society and Institute of Personnel Management. One or two unions have also submitted comments but there has been nothing direct from the TUC itself, which is to-day expected to approve its own rival code of practice.

The Government's code will not itself be legally enforceable but, because it provides a fairly detailed recommended pattern of behaviour for employers, unions and workers, it will have a direct influence on court actions stemming from the Act—and on the Commission on Industrial Relations and traditional courts of inquiry investigations—because parties to a dispute will be able to give evidence on whether or not the code has been followed or justifiably departed from by the degree to which the Code has been adopted.

Worthwhile

When the original June draft of the Code was published, there was a general acceptance on the part of employers that it was a worthwhile exercise. Opponents included the TUC, which described it as "shabby," and "paternalistic," and refused to have anything to do with it, and others such as academics who, to varying degrees, thought it something of a waste of time because it did not propose any new ideas.

Gradually, however, as companies and employers' associations got down to detailed consideration of the proposals, they became more and more opposed to many of them. They realised the immense implications involved if they were expected to adopt immediately all of its proposals covering matters such as pensions, staff and manual worker status, shop stewards' facilities and collective bargaining.

They also realised that, because of the way the proposals were worded, many of the ideas appeared to be compulsory which would mean that a company could appear in a bad light if it had not implemented all the requirements. As one employer put it to me, "it's all very well Robert Carr describing it as 'a compendium of common sense', but no employer can ever claim that he's water-tight on the Code—it will also be a major factor in the law that will be built up."

Mr. Michael Kerr, Q.C., a member of the tribunal, pointed out that in 1968, Mr. Knight went so far as to make inquiries about the possibility of doing a Section 109 exercise.

He said that a striking feature of the 1967 and the 1968 accounts was a vast increase in premium income from the first underwriting year to the last. Many witnesses had been unanimous in the view that one of the great dangers to an insurance company was too rapid expansion.

Mr. Webster agreed that it constituted a possible danger signal, but the extent of the danger, he said, depended on any underwriting in the past. Looking back, one could see how the increase in premium income was one of the factors which contributed to the ultimate downfall.

Mr. Webster said that, in 1970, factors were present which had not been present before in the branch consideration of V & G's situation. Under-provision had been suspected, and when the 1969 accounts were examined, they were looked at against a number of provisional factors.

These were: a meeting between the British Insurance Association and the branch officials in February 1970, had confirmed the suspicion of under-provision in V & G.

Mr. Webster said: "It was not simply a question of the BIA coming along with a figure and the repetition of doubts arising out of ratio comparisons."

The decision to take action was taken against a background which included a number of different significant factors.

He said that at the meeting on November 18 that year, the first meeting between Mr. Jardine and any member of the company, Mr. Jardine met Mr. Lawrence Kerrishaw and Mr. Reginald Burr, two V & G directors.

Regret

It was the first occasion on which the branch was told that the sale of World Auxiliary and Pioneer Life was being contemplated, and that, in general terms, steps were being taken to deal with the amount of good will included in the company's accounts.

They were also told that the company was increasing premium rates and was overhauling its organisation to reduce expenses.

Mr. Webster said that, after this meeting, the branch considered there were good enough reasons to believe there was no risk involved in delaying the intervention action as they did.

Mr. Webster said it was a matter of great regret that the Department that any company should collapse, but, having expressed that regret, it did not, and could not, follow that they accepted responsibility for it.

The tribunal adjourned until to-day.



Left: Mr. Robert Carr. Right: Mr. Vic Feather.

feel that the tone of the document smacked of views held in the years immediately after the last war and described it as stemming from "paternalism in the family firm" and appearing to be "a typical dog-eat-dog's gloss over problems."

As one employer said to me: "Why don't they give us the credit for being in the collective bargaining business? We negotiate and bargain with our unions—there's real conflict in industrial relations—but the Code's authors seem to have forgotten it."

There has also been criticism that there appeared to be no underlying philosophy running through the proposals. It seems likely that both the paternalistic and philosophical points will be dealt with both in the main body of the Code and also in an introduction which replaces Mr. Carr's own preface to the consultative document.

Some of the accusations of "paternalism" stemmed from the Code stressing that "management has the primary responsibility for good industrial relations and should take the initiative in creating and maintaining them." This basic statement is fully in line with the Donovan Royal Commission report, but the fact that it appears to have influenced the drafting of the whole document made it give the impression that unions are regarded as having only a secondary role, tagging along behind well-meaning employers.

As the Institute of Personnel Management told Mr. Carr: "The Code ignores the joint nature of the responsibility for realistic industrial relations." It should "avoid giving an impression of the divine right of management to manage," added the institute.

Effective

Mr. Carr indicated in the Commons debate that he accepts these comments and that he would want to correct any impression that unions have no responsibility. This could be done both in an introduction and by pointing to the unions' role in introducing the effective payments systems which the Code recommends. Unions' interests in training and manpower planning and their responsibilities for co-operating in these fields could, for example, be included.

The role of unions has also constantly cropped up in one of the most criticised proposals in the Code—that "any establishment with more than 250 employees should have a consultative committee with an elected membership representing all sections of the establishment" and that management should take the initiative in setting them up.

Although the proposals envisaged that, where appropriate, trade unions or other employee representatives should be consulted, this idea has drawn criticism from many experts. This is because it appears to be bypassing trade unions by creat-

more worried about the inclusion in what is basically a "provisional" document setting down guidelines as to how people should behave, of some "substantive" recommendations under the heading "status and security of employees." These cover also costly pension and sick-pay schemes and the need to raise the status of manual workers to that of white-collar staff.

While there seems little chance of the pension and sick-pay ideas being dropped (the provision by industry of pensions arrangements, with the State scheme being regarded mainly as a fall-back, is in line with the Government's general policy), many employers hope that the Code will make it clear that such expensive schemes cannot be expected overnight.

But they are more worried by the status point because they predict costly "differential" claims from white-collar unions wanting to maintain their members' advantages over manual workers.

Some employers argue that while it is one thing for companies like ICI and Esso to introduce staff status for all employees over a long period, it is quite another for the Code to give the impression that all industries should now move immediately in the same direction. Here, it seems possible (as with other provisions which would be impractical immediately) that the wording might be changed to alleviate this problem, possibly with some reference to a time scale.

This type of problem appears constantly throughout the Code, which in its present form, it is generally accepted, does not pay enough attention to the different requirements of varying sizes of companies—especially small concerns—nor to the fact that all companies and industries are at different stages in their labour relations developments and so cannot be expected immediately to adopt identical standards.

While the Government will not want to introduce too many "let out" clauses which could undermine the whole Code, most employers seem to expect that the Code will allow for these problems—for example, by pointing out that small companies can adopt simplified forms of some of the provisions (on manpower planning, for example). The five framework on companies

Thorny issue

Finally, Mr. Carr has to decide whether to introduce recommendations on the thorny issue of "status quo"—requirements for management to consult workers before making changes affecting them. Many employers think this too contentious a subject for the Code to tackle, especially at a time when the engineering industry is in dispute over it—while others consider its exclusion illogical.

In the Commons, Mr. Carr appeared to tip the balance in favour of dealing with it, but it remains to be seen whether some acceptable formula, which does not tie all industries too rigidly, can be formulated.

With all these possible changes in the air, it is clear that by the end of the year the new Code will look considerably different from the first published draft. It cannot be expected immediately to adapt identical standards.

While the Government will not want to introduce too many "let out" clauses which could undermine the whole Code, most employers seem to expect that the Code will allow for these problems—for example, by pointing out that small companies can adopt simplified forms of some of the provisions (on manpower planning, for example). The five framework on companies

Vehicle and General Tribunal of Inquiry

QC defends judgment of officials at DTI

THE TRIBUNAL investigating the collapse of the Vehicle and General Insurance Company was told yesterday of the "progressively strong smell" which reached Government officials examining the company's affairs.

Mr. Peter Webster, Q.C., for the Department of Trade and Industry and its officials, was continuing his final submission. He has rejected allegations that senior executives of the Department's insurance and companies branch were negligent in not intervening in the years before the crash.

Yesterday, he dealt with the 1968 official examination of V & G's accounts for the previous year. Mr. Webster said that although Mr. H. Knight, a principal in the branch, was the first to "smell" that something should be done, his submission was that all the officers in the branch were smelling things all the time from 1967 onwards.

By 1969, the smell was really very bad. Mr. D. Steel, an assistant secretary, said then that he wanted to do something, but thought he couldn't until the 1969 accounts came in in 1970.

Mr. Webster added that, because of a "huge apparent surplus," the officials felt that they had to look at the latest accounts before taking action—the picture was one of a progressively strong smell which basically the whole branch was aware of.

"Over the hump"

But, said Mr. Webster, in 1970, because of a number of different factors, the officials were "over the hump." They were able to say with their hands on their hearts that they had reasonable grounds for suspicion.

Earlier, Mr. Webster had referred to allegations made by Sir Elwyn Jones, Q.C., who appeared for policy holders and shareholders of V & G, that Mr. C. W. Jardine, Under Secretary in charge of the branch, had not really exercised any effective appellate jurisdiction to which his juniors could refer.

This, said Mr. Webster, was not so. It was clear that Mr. Jardine had been exercising independent judgment. In his submission, the evidence was that all the officers in the branch were exercising "rather vicious" independent

judgment—"certainly Mr. Knight, Mr. Homewood and Mr. Jardine, and they all came to the same conclusion."

He said that the only difference between them, as between Mr. Knight and the others, was on the interpretation of the legal powers, and not on the interpretation of the facts.

It had never been suggested by Mr. Knight that he thought anything on the examination of the 1967 accounts, that there were reasonable grounds for suspecting the company might be, or was, insolvent. He wanted to go in, because he had doubts about the company.

Mr. Michael Kerr, Q.C., a member of the tribunal, pointed out that in 1968, Mr. Knight went so far as to make inquiries about the possibility of doing a Section 109 exercise.

He said that a striking feature of the 1967 and the 1968 accounts was a vast increase in premium income from the first underwriting year to the last. Many witnesses had been unanimous in the view that one of the great dangers to an insurance company was too rapid expansion.

Mr. Webster agreed that it constituted a possible danger signal, but the extent of the danger, he said, depended on any underwriting in the past. Looking back, one could see how the increase in premium income was one of the factors which contributed to the ultimate downfall.

Mr. Webster said that, in 1970, factors were present which had not been present before in the branch consideration of V & G's situation. Under-provision had been suspected, and when the 1969 accounts were examined, they were looked at against a number of provisional factors.

These were: a meeting between the British Insurance Association and the branch officials in February 1970, had confirmed the suspicion of under-provision in V & G.

Mr. Webster said: "It was not simply a question of the BIA coming along with a figure and the repetition of doubts arising out of ratio comparisons."

The decision to take action was taken against a background which included a number of different significant factors.

He said that at the meeting on November 18 that year, the first meeting between Mr. Jardine and any member of the company, Mr. Jardine met Mr. Lawrence Kerrishaw and Mr. Reginald Burr, two V & G directors.

Regret

It was the first occasion on which the branch was told that the sale of World Auxiliary and Pioneer Life was being contemplated, and that, in general terms, steps were being taken to deal with the amount of good will included in the company's accounts.

They were also told that the company was increasing premium rates and was overhauling its organisation to reduce expenses.

Mr. Webster said that, after this meeting, the branch considered there were good enough reasons to believe there was no risk involved in delaying the intervention action as they did.

Mr. Webster said it was a matter of great regret that the Department that any company should collapse, but, having expressed that regret, it did not, and could not, follow that they accepted responsibility for it.

The tribunal adjourned until to-day.

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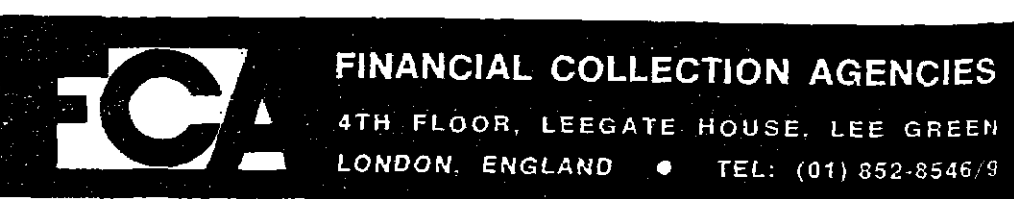
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ANNUAL STATEMENTS

EAST ASIATIC RUBBER ESTATES

PRE-TAX PROFITS UP 20%

The 48th annual general meeting of East Asiatic Rubber Estates, Limited, was held on October 26th in London. Mr. H. T. Karsten (the Chairman) presiding. The following is an extract from his circulated statement:

The Company again had a very good year. The decline in rubber prices during the period was offset by the larger crop harvested, whilst our Palm Oil producing subsidiary, Teluk Merbau Plantations Ltd., had an excellent year and was able to increase its dividend to 30 per cent, compared with 15 per cent. in 1969. This, coupled with a substantial increase in our investment income, resulted in a total gross profit of £502,303 before provision for Taxation compared with £250,617 for the previous year—an increase of approximately 20 per cent. It has thus been possible to propose a final dividend of 25 per cent, compared with 22 per cent, in 1969, making a total distribution of 40 per cent, for the year against 32 per cent, for 1969-70.

PALM OIL PLANTATIONS: The estate is now fully planted with high yielding stock and during the past year the mature area was increased from 3,953 acres to 4,048 acres as former immature areas were brought into tapping. The crops from these areas together with increasing yields from areas previously in tapping is reflected in the record crop of 2,630,863 kgs. (5,800,000 lbs.) harvested during the year.

Future Outlook: In spite of the declining rubber prices during the year under review our gross profit of 20 per cent, produced has only suffered to a small extent owing to the much less severe drop in prices of Liquid Latex, which is our main production.

TELUK MERBAU PLANTATIONS LIMITED: The estate property totals 7,963 acres. The mature Oil Palm area at 31st December, 1970, was 3,757 acres. The area has since been increased by 283 acres which came into bearing at the beginning of the current year.

40,330 tons of Oil Palm fruit were harvested during 1970 and produced 7,135 tons of Palm Oil and 1,760 tons of Palm Kernels. The average net prices realised on sales were £59.67 per ton and £50.90 per ton respectively. The comparative figures for the

previous year were 7,494 tons of Oil and 1,241 tons of Kernels, averaging £60.25 per ton and £46.13 per ton respectively. The slight fall in output was due to inclement weather conditions. The Rubber crop totalled 484,895 kgs. compared with 480,813 kgs. in 1969. The average price realised for all grades was approximately 18.35p per kg. f.o.b. (1969—18.35p per kg.).

A major extension of the Oil Mill has now been completed at a cost of £251,372 which will double the maximum throughput of the plant.

Chairman's Additional Remarks: Supplementing his circulated statement, the Chairman addressed the meeting and said: Rubber prices are still hanging fire and the profit from the Padang Mehta Estate will naturally be lower again this year but not to any serious extent as we have now sold some 80% of this year's production at relatively satisfactory prices.

The crop figures for the 6 months April/September 1971 are a little below estimate at 1,319,000 kgs (1,314,000 last year) but we still hope to reach our estimate for the year of 2,891,000 kgs.

Although Palm products prices have lately declined a little there is still no weakness in the edible oil complex and we expect a higher return from our investment in the Teluk Merbau Plantation for the current year. The crop figures for the first 9 months of 1971 are: Rubber 350,000 kgs; Palm Oil 7,273 tons; Palm Kernels 1,774 tons.

The rubber figures are a little below estimates but the Palm products are well above.

Since sending out our Accounts we have received the full statement of Accounts for the New Scotland Development Co. for the year to 30th June last. As foreshadowed there has been a loss on the Plantation and on the New Savannah while the Swartwater mill made a profit. The total loss is £220,560 which included depreciation of £113,380, and increased interest charges to finance the cost of the new mill.

It does, however, look that this enterprise has now turned the corner and should prove a very valuable asset in the future.

As a whole I expect that the East Asiatic Rubber Estates Ltd. will be able to maintain the dividend for the present financial year, ending next March 31st.

Fiat chief warns car trade 'tougher going in the '70s'

BY JAMES ENSOR

DR. GIOVANNI AGNELLI, the chairman of Fiat, warned in London yesterday that the prospects for the world motor industry over the next decade would be much less attractive than those enjoyed over the past 10 years. Europe has switched from a steady incremental demand to a fluctuating and largely replacement one. As a result, the industry is likely to see a growth of only 2.3 per cent a year, compared with the 7 per cent enjoyed in the 'sixties.

Demand will fluctuate from year to year, since buyers can expect for the world motor industry over the next decade would be much less attractive than those enjoyed over the past 10 years. Europe has switched from a steady incremental demand to a fluctuating and largely replacement one. As a result, the industry is likely to see a growth of only 2.3 per cent a year, compared with the 7 per cent enjoyed in the 'sixties.

Dr. Agnelli suggested that motor manufacturers may face periods of considerable overcapacity during the 'seventies. This will cause problems for companies operating in countries where there is a strong commitment to full employment.



Giovanni Agnelli

The American market already demonstrated the characteristics of a mature market for cars. "In some metropolitan regions a slow rejection process is already developing and the suitability of

the car as a means of transport is under question," he pointed out.

Dr. Agnelli predicted that the major growth areas in demand in the next decade would be in Eastern Europe and Latin America. But even so, the growth would not be sufficient to counteract the slowdown in the large, industrially mature markets of the West.

Dr. Agnelli is widely regarded as one of the shrewdest of motor industry chiefs and one of the best at seeing the industry in an historical or philosophical perspective. His prediction some years ago that the number of motor manufacturers in Europe would contract rapidly from some 40 companies to seven or eight major groups received widespread attention. Yesterday's address to the Institute of Mechanical Engineers may prove equally prescient—certainly Dr. Agnelli's presence on the rostrum was sufficient to draw the managing directors of the British subsidiaries of Renault, Citroën and Alfa Romeo.

New moves to get agreement on Atlantic air fare cuts

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SENIOR EXECUTIVES of the airlines flying the North Atlantic route renewed their efforts to get agreement on fares at a "policy-making" session at the Beau Rivage Hotel in Lausanne yesterday.

While reports from the meeting were guarded, it is now widely expected that some form of agreement will be forthcoming—possibly later to-day or at the latest to-morrow.

If this is so, it will be put to a wider meeting of interested airlines immediately before being turned over to tariffs experts who will translate it into detailed fares for final approval at a full session of the airlines, possibly by early next week if not before.

Any fares agreed as a result of the Lausanne meeting become effective on March 1, thus averting the possibility of an "open-rate" situation in which airlines would be free to charge whatever fares they chose. Such a situation, it is feared, might degenerate into a "fare war", which is why there is now being determined to reach agreement, if at all possible.

The general belief is that any fares agreement emanating from Lausanne will eliminate the "Advanced Purchase Excursion" (APEX) concept, in which passengers would have to pay several months in advance to get cheaper fares.

Most airlines attending the conference are openly hostile to

this idea, and it seems that those in favour of it, such as BOAC, may have to give way in the interests of a wider fares agreement.

Thus the view is that whatever fares are agreed at Lausanne they will not be quite so cheap as was originally expected—that is, they may not go as low as the £80 level, around which the original APEX fare proposal was set.

But that they will be cheaper than the current lowest economy class level (£113.35, London-New York return) seems certain.

British Oxygen to enter carbon dioxide market

BY JOHN TRAFFORD

BRITISH OXYGEN is adding carbon dioxide, the gas that puts the fizz in soft drinks, to the range of industrial gases which it sells. The company will start supplying the gas to British Oxygen's sales force in its Derby compressing station to industrial users this week.

Despite the fact that existing U.K. capacity is about 100,000 tons a year, the company believes that it can achieve a profitable penetration of the market because of its well-established network for the distribution of industrial gas cylinders.

Its competitors in the cylinder sector of the carbon dioxide market, which accounts for perhaps 15 per cent of the £2-4m. annual

sales, are Distillers and Air Products. Distillers makes its own carbon dioxide. Air Products obtains its supplies on a reboiler deal with Shell.

British Oxygen's supplies will come from ICI which itself is active in supplying carbon dioxide to bulk customers. The main markets for British Oxygen's sales will be to welders (the largest single outlet for the gas in cylinders) and to foundries.

Rather less emphasis will be put on gaining business from soft drink and beer manufacturers.

Initially most of the sales effort will be concentrated in the Midlands where the location of the first compressing station offers the company a competitive advantage.

"German pay rates draw U.K. workers"

UP TO 150,000 Britons could be working in Germany by 1980, a researcher said yesterday.

This gap between wages in the two countries will be attracted by many workers' wages then averaging £100 a week, compared with £57 in Britain, Mr. Roger Bohning says in a new quarterly magazine, New Community.

The annual flow of Britons to Germany may well be above 10,000 a year by the mid-1970s and may rise to 20,000 in a peak year.

By the end of this decade, a labour pool of 100,000 may have accumulated and could probably have risen to a maximum of 150,000, says the magazine, published by the Community Relations Commission.

At present, "not more than" 18,000 Britons are working in Germany.

The Commission's chairman, Mr. Mark Bonham Carter, told a news conference held to launch the magazine that fears of an invasion of Britain by foreign workers if we joined the Market were groundless.

Fair deal plea for European migrants

MPs are being asked to see that workers who migrate to the Common Market countries get a fair deal if Britain joins.

The plea comes from the race relations committee of the Roman Catholic Bishops' Conference of England and Wales.

The committee says that in a number of Market countries, immigrant workers' rights are ill defined, their job security "precarious" and their housing "appalling".

The committee says more and more European countries are drawing labour from the West Indies, Africa, the Middle East and Southern Europe. "They are often nothing more than a source of cheap labour to be used at a time of high economic activity and rejected in a time of recession."

NHS pay-bed system abused committee told

SOME COMPLAINTS made to a Commons Select Committee about alleged abuses of private patient arrangements in the National Health Service indicated "suppression of the NHS pay-bed system."

The committee, representing half the adult population of the island, were collected by the Guernsey Constitutional Association, formed to fight any attempt by Britain to draw Guernsey into the EEC.

In London yesterday Mr. John Peters, secretary of the association, said the message from Guernsey was "We have run our own show for 700 years and we would like to keep on running it."

If Britain joined the Common Market, the island, under the Treaty of Rome, would lose the right to legislate for itself. Rippington said that if he fails to negotiate terms tolerable to the needs of Jersey he will go back and negotiate other terms," he said.

Credit Suisse opening London branch

CREDIT SUISSE, one of the Big Three Swiss banks, is to open a branch office in London early next year.

Speaking at an Anglo-American Press luncheon, Mr. Debré did not rule out such co-operation for all time, but he nevertheless made clear that the technical and political obstacles were still very great.

The main purpose of nuclear arms was to disarm attackers, he emphasised. But if they should ever be employed by any nation, it would certainly be in the first place to defend the national territory.

National defence, Mr. Debré said, was merely an extension of politics and patriotism and it was difficult to see how there could be any effective co-operation in the nuclear defence field unless it was based on a common political orientation. But this as will be the main warehouse.

A 30 per cent interest is held in London Multinational Bank, whose other shareholders are Baring Brothers, Chemical Bank, New York, and Northern Trust Company, Chicago.

The office of Credit Suisse's international representative in London, Mr. G. I. Williamson, is at 48-54, Moorgate, London, E.C.2.

London secretaries under 21 earn £20 a week

BY ELSETH GANGUIN

FOR the first time, London secretaries and shorthand-typists aged between 15 and 20, have passed the £1,000-a-year barrier. Increases of 50p a week during the past quarter pushed even the "median" salary over the top.

According to the Alfred Marks Bureau, in its latest quarterly survey of salaries, the company says the older London secretaries and shorthand-typists got 75p a week more during the same three months.

Audio-typists and copy-typists, receptionists, clerks and machine operators all had similar increases.

Secretaries and shorthand-typists (all ages) now earn between £20 and £24.75 a week. Comparative figures are: audio-typists £18 to £21.75; typists £15.25 to £20; receptionists and telephone operators £13.50 to £17.50; machine operators £13.50 to £21.25; women clerks £14.75 to £20; and men clerks £17.50 to £24 a week.

Wages in the provinces remain considerably lower. The salary differential between London at the top and, for instance, Dundee and Hull at the bottom is now £7.50.

The RAC yesterday asked the Government not to drive 16-year-old motor-cyclists off the road. Accidents involving 16-year-olds were caused more by their inexperience than their age, said the RAC, making representations to Mr. John Peyton, Minister for Transport Industries, on proposals to raise the minimum age from 16 to 17.

The most effective remedy for accidents involving young motor-cyclists and young car drivers was to improve and expand the arrangements for training them. Much larger numbers could be trained by experts on off-street training grounds, the RAC added.

It proposed that 16-year-olds continue to be allowed to use low-powered motor-cycles, but lower than the 250 cc. restriction, said they had had a cold. In-

Headaches topped the list of complaints—52 per cent, said they suffered from this occasionally or often. Eye fatigue came next (54 per cent), followed by backache and toothache. Some 43 per cent, said they suffered from indigestion, particularly the older ones.

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RAC opposes motor-cycle age limit rise

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Wood Bastow Holdings Ltd.

Statement by Mr. Jon Wood, Chairman, for the year ended 3rd July, 1971

■ SALES for the 56 weeks to 3rd July 1971 were £4,422,897 against £4,032,589 for the previous 52 weeks.

■ PROFIT before tax was £357,240 plus a Capital Profit (after tax) of £7,000.

■ DIVIDEND A Final of 20% has been approved making a total of 27% (25% in 1970).

■ EARNINGS per share go up (on a 52 week basis) from 8.4p to 9.1p.

■ REVIEW Sales and Profits from the Slix Swimwear Companies were adversely affected by the postal strike. The Marks and Spencer side has developed and demand for our products continues.

■ PROSPECTS Additional productive capacity together with a larger direct labour force places the Group in a strong position to fulfil increased demand which is already apparent. In the absence of unforeseen circumstances, a year of further progress should be reported in due course.

From the Accounts	1971	1970
56 weeks	52 weeks	
£	£	
Sales	4,422,897	4,032,589
Profit before Tax	357,240	339,296
Profit after Tax	213,740	182,315
Net Capital Profit	7,000	—
Earnings per Share	9.1p	8.4p

Copies of the Report and Accounts obtainable from Wood Bastow Holdings Ltd. Selston, Nottingham.

BROOKS

The Chairman reports record results

52 weeks ended 26th June	1971	1970
Turnover	1,785,283	1,627,336
Profit before tax	239,368	207,882
Profit after tax	138,368	107,882

The Board recommended a final dividend of 9%, making a total of 14% for the year compared with 12% anticipated in the Offer for Sale.

"Despite the continuing problem of cost increases it is anticipated that the current year should once more show even better results. Recent acquisitions allied to our existing products and business connections will considerably strengthen our position in the rapidly increasing markets for air conditioning and air filtration equipment. I am confident that this will improve the growth potential of our company and result in an increasing contribution to the profits of the group."

W. G. BROOKS.

Brooks Ventilation Units Limited

STOCKLAKE HOLDINGS

PROFITS UP 62% TO RECORD LEVEL

The 74th annual general meeting of Stocklake Holdings Limited was held on October 26 in London. Mr. C. K. H. Wood (the Chairman), presiding. The following is an extract from his circulated statement:

The pre-tax profits are £1,530,119, which are the highest so far achieved and show an increase of 62 per cent, on last year. The Directors recommend a final dividend of 11 per cent, making a total of 17 per cent, for the year.



The crow and the grasshoppers

A freight airline should fly as the crow flies.
Not hop about...
BEA Cargo is the only freight airline in Europe
specialising on Europe alone.
(The others are all geared for long-haul
traffic.)
It has more freighter services flying *direct* to
more points in Europe than any other airline.

BEA flies as the crow flies. Straight there and
straight back.
(Other airlines often tranship their cargoes.
Goods can wait days for another flight. Sometimes
they even get lost.)
Whether you're a shipper or an agent, it makes
sense to send your freight as the crow flies — direct.
Because you save time, and time is money.

BEA CARGO
As the crow flies.



Research Director
(London)

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This information is given in the light of the frequent inquiries received on this point from Organisations and Individuals. For further details contact Brian Powell, 248 8000, Ex. 223.

University, Uxbridge
30034.

The Executive's World

EDITED BY
DAVID PALMER

A unique situation has created the sort of management-union partnership on the Clyde that many company managements dream about. **ANDREW HARGRAVE** reports on

How they're managing at UCS

THE WHITE-helmeted plumber, work sheet in hand, walked into the shop stewards' but at the Clydebank yard of Upper Clyde Shipbuilders as naturally as if it were his own office. He had a problem of supplies that involved other trades. Could it wait until the next weekly meeting of the production committee or should it be settled there and then?

The question could not have arisen in this form at pre-liquidation UCS, partly because managerial types had been barred from the stewards' but and partly because the matter would have had to be raised through "official channels."

Construction

The present running of UCS—where 14 ships are in various stages of construction at the three yards and steel factory—appears to have more in common with the way factories and shipyards operate in Yugoslavia than anything ever experienced in Britain before. It is emphatically not "workers' control" in the sense that the workers actually run the yards. "We insist on the foreman giving the orders and sacking people," says Platters' shop steward John Donnelly.

"People still do get sacked, but not very often. At Clydebank, only a half-dozen have been dismissed since liquidation last year, all for bad time-keeping. Other forms of misconduct—drunkenness, pilfering—seem to have disappeared in line with the peace given by Mr. Jimmy Reid, the shop stewards' spokesman, when the 'work in' began on July 30.

Although the sharp clashes with the Government might have strained industrial relations within UCS, the opposite has been the case. A form of peaceful co-existence has developed with the liquidator, Mr. Robert C. Smith, who in the eyes of the law is in sole control.

Working alongside the liquidator is a shadow management,

exercised through the yard production committee. With supplies scarce, the production committee has direct access to the yard managements and, if necessary, to the liquidator himself. The system appears to be working remarkably smoothly: in reaching their destination more quickly than in days of stringency before liquidation. As for the relationship between management and workers, the plumber foreman and steward Donnelly given a formal hierarchical

take-home pay of the "work-in" people is less. They demand for part of their income on weekly set-up by the yard.

On the other hand, by sharing in the work they are partly responsible for the lower bonuses being paid to other yard workers.

The production committee, and indeed the co-ordinating committee, have their origins in pre-liquidation days. When UCS was first formed, it was

the first formal, it was given a formal hierarchical

committee. The joint shop stewards committee had been set up by the chairmanship of Jim Airlie to try to stave off redundancies. It had been formed by leading shop stewards in the three yards and the Lint-hous steel factory. When UCS went into liquidation, the nucleus of Airlie's co-ordinating committee was therefore already in existence.

Scarce supplies are not, of course, new to the UCS workers. Ever since the first bankruptcy

being on the dole. "We are solving part of Clydeside's unemployment problem," says Ross With Smith, making unemployment figures of 12 to 14 per cent at Clydebank, he has a point.

Contracts between the UCS workers and the official church—the all denominations—have been close and frequent, with clergy-men attending meetings of the co-ordinating committee, speaking at mass rallies and demonstrations, rallying prayers in churches and contributing to the funds through collections. Other organisations and a large part of the Scottish public have also openly shown their sympathies in hard cash.

The set-up at UCS is of course as exceptional as the circumstances which have created it. Whether it will survive the liquidation of UCS is another matter. It is encouraging to note that one of the first steps taken by Mr. Hugh Stenhouse, chairman of Govan Shipbuilders, and his chief executive, Mr. Archibald Giehrst, was to seek a face-to-face encounter with the shop stewards. They were not deterred by an early rebuttal and a working relationship has been established. The recruitment of Mr. Douglas as deputy chairman has been another shrewd move, designed to improve the chances of co-operation when the new company gets off the ground.

But there are danger signs, too. The shortage of orders and the depressed freight market may curtail the undoubted aim of Mr. Stenhouse and his colleagues to retain as much of the 8,000-strong labour force of UCS as possible. Any attempt to enforce the recommendation by Mr. Davies' "four wise men" (endorsed by the Minister himself) to achieve "competitive wage rates" are bound to be resisted by the men. Finally, there are already voices among the boilermakers to go their own separate way when the new company is set up.

Yet the spirit created by common danger may survive at UCS. The system has grown like Topsy rather than been devised formally. But it may prove to be more resistant than tradition or even the elaborate schemes planned by consultants. Whether it will depend very much on Mr. Stenhouse and his fellow executives, particularly on Jimmy Reid and Jimmy Airlie.

Keeping stocks low has inevitably led to hold-ups, a drop in productivity and, of course, bonuses. Steelworkers in Clydebank, for instance, are earning about half the pre-liquidation bonuses, a loss of about £2 week. But the "work in" people, about 550 of the 850 paid-off since mid-August, live on much less than that paid from the UCS hardship fund.

Nevertheless, as Clydebank sub-contractor Gerry Ross put it, they are still better off than

crisis in April, 1969, there have been periodic interruptions, sometimes lasting for several weeks, as suppliers refused to deliver except for "cash on the nail" or substantial down-payments on outstanding debts.

Since June, the liquidator has been paying the bills. But his aim has always been to keep supplies down to the minimum for the completion of contracts. As Mr. John Davies, Secretary for Trade and Industry, implied in the Commons last Wednesday, the liquidator has not always been successful in raising the necessary cash from progress payments on ships.

Representatives of the finishing trades and the planning staff have now joined the steelworkers on the new "production committee." Their job is to channel supplies, particularly steel, to the berths and sheds, to keep the men as busy as possible.

Just as the production committee is an extension of the pre-liquidation supply committee, so the co-ordinating committee is an extension of the pre-liquidation joint shop stewards'

of the same opinion: "There are differences of view, yes, in how to solve problems, but not along the traditional lines. We are all in the same boat now."

All in the same boat: This sums up the unique nature of relationships within UCS. The collapse of the group which, in spite of Government intervention, threatens the jobs of thousands, particularly at Clydebank, has wiped out age-old rivalries, not only between the management and workers, but also between the proud makers of the industry represented by Dan McGarvey's Boiler-makers Amalgamation and the other unions.

There is a spirit evident in the yards that is hard to find anywhere else in Britain. Trying to explain it, shop steward John Donnelly (himself a devout Catholic) thinks it is because: "We are trying to be more Christian in outlook than the Government." Indeed, there is virtually no friction between the liquidator, Mr. Robert C. Smith, who in the eyes of the law is in sole control, and the workers, although there could be plenty of cause for resentment. The

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WEDNESDAY OCTOBER 27 1971

China and the UN

CHINA'S ADMISSION to the UN, coupled with the expulsion of the Nationalist delegation which has occupied the Chinese seat for the past 20 years, is good news both for the organisation itself and for the world in general. Despite the vigour with which Washington campaigned to seat both claimants to the Chinese seat in the General Assembly there was never any real chance of a "two-Chinas" solution succeeding at the UN. Equally, it was clear that China must eventually be given its rights at the UN. It is better that these should have been acknowledged sooner rather than later.

However, the real justification for the decision to seat the People's Republic and expel Taiwan must be sought outside the scope of juridical arguments in favour of Peking or Taipei. It is probable that the UN today needs China more than China needs the UN. The organisation has been badly handicapped in the past by its inability to discuss world problems such as Vietnam in which China was a protagonist. It has also suffered from a far too rigid division between the American and Soviet power blocs in the General Assembly which has tended to lead an artificial air even to debates on subjects where China would have been only indirectly concerned.

Enormous influence

China's role in making good these deficiencies will depend on how it decides to wield the enormous influence which it is certain to exercise with many of the "third world" countries whose champion within the UN has hitherto been the Soviet Union. There is a danger that this influence could be used to polarise the General Assembly more completely than it has ever been polarised between Washington and Moscow, and China may be tempted, as the Soviet Union was before it, to make a destructive use of its veto power in the Security Council. But the tone of Peking's recent comments on the UN and on world affairs in general suggests that its delegation in New York may be at least as much interested in seeking an understanding between major powers as in pursuing ideological objectives.

Outside the UN the consequences of this week's vote will be even more far reaching, though they are also harder to

evaluate. China's status in the world and in the Far East in particular will be immensely enhanced by its presence in the Security Council where the other major Far Eastern power, Japan, is still unrepresented. It will become progressively more difficult for countries such as Japan, Australia and New Zealand to maintain the fiction that Taipei, rather than Peking, is the seat of the true government of China. Japan, in particular, is likely to become deeply involved in the process of straightening out its relations with China.

Crucial impact
The really crucial impact of the UN vote, however, is likely to be on the bilateral relationship between Washington and Peking. This was indirectly acknowledged on Monday when Dr. Henry Kissinger postponed his departure from Peking where he had been making arrangements for President Nixon's visit so as to be able to meet his hosts after the decisive vote on the American "important question" motion. The relevance of the UN decision will be more directly acknowledged when Mr. Nixon himself arrives in Peking for talks which are bound to include the problem of Taiwan's status.

The initial verdict on the state of Sino-American relations must be that they have been assisted, not handicapped, by the failure of President Nixon's attempt to rescue Taiwan from expulsion. The departure of the Nationalists from New York means that the U.S. and China now have one less problem to argue about and correspondingly more chance of getting on to the problems that really matter. This does not mean, however, that Washington is in any sense off the hook so far as the Taiwan problem is concerned. Nor has President Nixon any answer to the question of how to sever relations with the Nationalists without destroying the credibility of American policies elsewhere in Asia.

No U.S. President is likely to be able to beat a rapid retreat on the Taiwan issue and China, in its present mood, is not likely to expect such a development. What is probable is that China will become increasingly exacting in the terms for normalising its relations with third countries so as to create a precedent for the eventual settlement with Washington.

Against the background of the Trust Houses Forte/Allied Breweries situation, Arthur Sandles looks into the rapidly rising cost of running Britain's catering establishments

Restaurants: the next item on the menu is . . . a price rise

LAUNCHING the annual report of the British Tourist Authority at a pre-publication conference yesterday, Sir Alexander Glen talked about the impact on tourism of price rises and the passing of the benefit of devaluation. He was speaking in the Café Royal centre-piece of the old Forte empire.

Riding the costs storm

To-day, it is increasingly clear that it is the Fortes of the world who are riding the costs storm while less sizeable and sophisticated operators are finding the going very rough indeed. The future of the British restaurant business and the continued ability of men like Sir Charles Forte to adapt to its vagaries are, of course, vital in considering the THF-Allied Breweries situation.

The development of eating out in Britain is a relatively new phenomenon. It was only a couple of decades ago that the coffee bar and spaghetti house burst upon the British scene, diverting attention away from the tea shop and the fish-and-chip bar. Eating out was scarcely a regular occupation outside central London and one or two provincial cities, and even to-day it would be easy to over-estimate the amount of eating-out that is done in the U.K.

As many a weary traveller knows to his cost, there are large tracts of the country which have little or nothing in the way of eating facilities, particularly after dusk. We are certainly a long way from the American situation where MacDonalds, Howard Johnson's, Kentucky Fried Chicken and Mr. Salt bars seem to line the entrance roads to all towns of any consequence.

The real boom in British eating came in the mid-1960s when Wimpy really flexed its beefy muscles and Berrill Inns and Chef and Brewer took a grip on pub-style catering. There was a coincidence of low-priced food, cheap imported labour, and relatively high disposable incomes. Angus Steak Houses and Chinese restaurants sprung up, and the fortunes of such people as Mario Cassandro and Francesco Lagattolla of "Trat" fame and Reo Strakis in Scotland, were made.

"In those days," they tell you now, "your main worry was whether the managers were fiddling you. It was easy, providing your food was good and



Top line, left to right: Mario Cassandro and Francesco Lagattolla (Mario and Franco), Sir Charles Forte (Trust Houses Forte), and Geoffrey Salmon (J. Lyons). Above: Maxwell Joseph (Grand Metropolitan), John Bosman (Golden Egg), and Reo Strakis (Reo Strakis).

your setting right. For two or three pounds a young man could buy a girl a meal—he was happy, she was happy and we were happy. We were making money. To-day you have to watch costs like a hawk, you have to beg for staff, and the customer is worried about whether he can afford to pay you."

The restaurant business has been caught by the fact that it is a labour intensive activity relying usually on high mark-ups. The growth of European economies has not only given ammunition to the price-hunters, it has robbed the restaurants of Britain of their Italian waiters. They can now enjoy the sunshine of Naples and collect as much take-home pay there as they can in Manchester—with tips of perhaps £30 a week and more.

The surprising growth of Spanish tourism has similarly tempted many Spaniards away from Soho and Soho Hill and back to the Costa Brava and the beach-side hotels of Benidorm. In some areas of Spain there are now serious staff shortages which are pushing up the bidding for waiters. In an industry which is unorganised, itinerant workers pay scant respect to such official niceties as

work permits—the market is international. Thus the British restaurateur is in direct competition for staff with his counterparts in Athens and Palma.

The mark-up situation has really begun to bite over the past year or so. With food prices rising dramatically the impact on menu prices has been worrying. Food mark-ups are likely to be in the region of 100 per cent to 140 per cent, at least (Avocado pear, costing the restaurateur 12p, will sometimes sell for as much as £1-50p for each half). The rise in the cost of meat and vegetables, as well as such basics as butter, has had a pronounced effect.

Traditionally high-priced

If anything, wine prices have risen somewhat less slowly over the past couple of years than those of food. Wine is increasingly part of the British meal, but it is traditionally a high-priced item on the menu. This provokes fury in the wine trade, which can see the point of adding 100 per cent on to the cost of a steak since it needs some preparation, but

which argues volubly that restaurants could reduce wine prices substantially and sell lots more. High wine prices seem to date back to a time when food was rationed and prices fixed. It became general practice to make money out of drink. Old habits die hard, but the restaurateurs say that wine is an expensive and tricky commodity to stock.

Ways are being worked out to overcome the problems involved. The new Capital Hotel behind Harrods, for example, has a short "spot buy" wine list and a much longer one for those who think ahead. The restaurant will get the wine you want from the wholesaler if you give a few hours' notice. By and large, however, the pressures on costings favour the big operators. A group with the buying power of Trust Houses Forte, Grand Metropolitan, or Golden Egg, is able to predict its costs more effectively than small rivals through forward purchasing of basic needs.

At different levels of business in the restaurant trade, price changes produce different effects. At the low-middle end of the market (Golden Egg and Billy's Baked Potatoes up to Spaghetti Houses) the customer will have decided how much

to pay before he walks in. Price changes will initially produce changes in eating habits until the customer has adjusted to the idea of spending the odd 5p more for his meal.

At the level of £3 per head upwards, the customer will almost certainly not adapt his eating to the prices on the menu but will change the frequency of his eating out—or move restaurants. "People tell you that diners are loyal," I was told in one Soho restaurant. "It is a myth. When prices go up they stay away for a few weeks and try it somewhere else. They find the price is the same everywhere . . . and my food is better . . . so they come back again. When I hear someone else is putting up his prices I know I am going to get some of his customers. But people do not just go to one place; we have to watch each other."

Restaurants on the "milk run" for American tourists this year (London, Stratford, Edinburgh) had something of a shock when the tourists did not flow in as expected—and when they came they were a little less free with their cash. Some of the really up-market properties of London's Mayfair and Piccadilly areas rely heavily on tourist traffic and visiting business entertainers.

Unfortunately, the American currency problems have coincided with continued caution in domestic business entertaining, making life a little harder in the expense account belt. Accountants are looking a little harder at the standard London/Manchester/Birmingham business lunch for two, that two years ago might have cost £5 (two drinks, two courses each, wine and coffee), but could be nearer £8 to-day.

Well-run restaurants have ways of reducing the effects of inflation and varying traffic, of course. A good head waiter can steer the customer away from dishes with a poor return (the better meats and sea-foods) to those with more appetising returns. He can give you small plates and large wine glasses.

Recently in America I was impressed by the way in which many of the chain restaurants go further and further in "gift wrapping" their food with mountains of cheap lettuce and heaps of filling (but inexpensive) bun around the obviously diminishing hamburger. It is sometimes very much like the old joke: "How did you find the meat, sir?" "I lifted one of the chips and there it was."

Less confident about labour

The real question for the trade at the moment is how far it can go with price rises without a sizeable public reaction. The answers vary considerably.

On the whole, most seem to believe that a change in price of the most dramatic nature produces a temporary, if severe, drop in trade. The most quoted precedent is the removal to its deduction for entertainment. For about a year the effect of this change was traumatic, but then the business climbed back to its old growth pattern.

What, then, of the future? Restaurants are placing some hope in Government assurances that the steam has gone out of food price rises. They are less confident about the labour position. Wine prices will almost certainly rise over the next year or so because of an approaching new prices situation in France. The effect will be an even greater strain on management and a test of strength on the British eating public to see whether it will still eat out when its bills go up another 10-15 per cent.

Almost certainly the pressures will help the "fast food" outlets like Kentucky Fried Chicken and the Wimpy's, which combine the efficiency of large-scale buying with the intimacy of a family operation. But the well-run waiter operation should live on, despite its temporary troubles. After all, what would we do without the restaurant as a source of corny humour?

Engineering orders up

EXPORTS of machinery account for 25-30 per cent of Britain's total export earnings, and are therefore a major element in the balance of payments. This year they have been buoyant, with the monthly average for the first three quarters rising from £195m. to £215m. to £225m. Yet there has been some reason to be suspicious of this trend, quite apart from the fact that deliveries during the past couple of months may have been swollen by anticipation of the U.S. dock strike.

First, a good part of the increase in earnings has come from higher prices; export prices for machinery have been rising faster than the average and this must eventually weaken the competitive position of U.K. manufacturers. Second, exports of machinery are particularly vulnerable to the measures which President Nixon announced on August 15—not only the floating of exchange rates (which makes long-term contracts difficult to negotiate) and the import surcharge, but the tax credit given to U.S. firms which invest in domestic capital equipment. Third, the current pace of machinery deliveries reflects orders placed in the past. The new export orders of the mechanical and electrical engineering industries have fallen sharply since the spring of last year.

Exports good

It is encouraging, therefore, to see that there has recently been a marked recovery, with export orders for the three months to August being no less than 41 per cent higher than in the previous three and almost as high as during the second quarter of 1970. Some qualifications must certainly be made. These figures tend to fluctuate violently from one month to the

next, partly because of the weight of particularly large contracts. It is also the case that the comparison between the past three months and the preceding three is so striking because the latter was an exceptionally poor time for export orders. Yet a recovery of some sort has undoubtedly taken place. The volume of export orders on hand has stopped falling and is moving back towards the level ruling at the beginning of the year. The volume of deliveries, which slipped in the second quarter, has regained its previous high rate and may now continue to hold it.

Machine tools

The overall position of the engineering industries, however, is less cheerful. Total new orders have risen recently but are still running only just above the average levels of 1969 and 1970 while the volume of orders on hand is well below what it was in the second half of last year. The trouble lies in the home market, where orders have been well behind the 1969 and 1970 figures.

The same trouble can be seen magnified in the situation of the machine tool industry, whose new home orders at the latest count (in July) amounted to only £3.7m., against £6.2m. in June and £10.6m. in July of last year; its outstanding orderbook is smaller—in money terms—for this time of year than since 1967. Neither the Confederation of British Industry, after its latest survey of industrial trends, nor the Department of Trade and Industry is expecting an early revival in capital investment by industry at home. It is not only for the sake of the balance of payments, therefore, one must hope that the recent upsurge in export orders will continue.

MEN AND MATTERS

Slater Walker's Jessel offshoot

Dundee, Perth and London Shipping comes back to the market next week with a new name—Dundee, Perth and London Securities; a new business, in transport rather than specifically in shipping; and a new chairman, Mr. Michael Buckley. Buckley is a 29-year-old accountant from the Jessel stable who bought a substantial stake in the company late last year and has since been expanding it with financial advice and aid from Slater Walker.

Slater now owns about 25 per cent of the company, and Buckley's name is added to the long list of Slater Walker satellites, associates and spin-offs (Mr. Dick Farling, "spinning-off" from SW with Crittall-Hope, was noted in this column only last week).

According to Buckley, Dundee, Perth and London is the second oldest shipping company in the country, after Cunard. The name was so well known that he decided to keep it with only the one change, even though it no longer reflects even the geography of the business. Buckley spent some months after leaving Jessel looking at every shell company he could find, and Dundee "was undoubtedly the best I saw—the loss-makers had been taken out, and it had plenty of cash."

The shipping side is not doing so well at the moment, with freight rates at their present level. But it was Buckley who took over the group of eight road transport and warehousing companies whose disposal by Burnholme and Forder, under its new chairman Mr. Timothy

Holland, I described in this column yesterday.

Buckley has also added Seaham Harbour Dock company, situated some miles south of Newcastle, and in due course expects to be looking around for further acquisitions, not necessarily in transport as such, but in service and distribution.

DPL, as Buckley hopes it will be known, has also just got a contract for servicing BP oil rigs in the North Sea from Dundee, starting next year. What Buckley is working towards is a "comprehensive transport service," for the very cogent reason that "road transport alone cannot compete with the British Rail freightliners."

Scientists as managers

Industry can expect another appeal for funds to support a business school soon. Mr. David Nicolson, the new chairman of the British Airways Board, is this week adding to his long list of directorships an honorary Fellowship of Imperial College. He has been a governor there for several years, and was once a student there, and his main interest has been in the post-graduate school of management sciences at Imperial College. At present, this has about 70 students, and Nicolson would like to see this at least doubled. "There is a great need to teach management subjects to engineers and scientists at university," he says, "to bridge the gap in this country between commerce and technology." This will be the theme of his speech at the Imperial College commemoration day ceremony at the Albert Hall to-morrow. In the next few weeks industry will get his appeal letters for money

to back his words—he wants £1m. or more for a new and separate building to house the school of management.

Biter bit

At the 10-nation Experimental Safety Vehicle Conference in Stuttgart this week, the chief talking point, especially among the German delegates, is the appearance of Mr. Douglas Toms, head of President Nixon's National Highway Traffic Safety Administration.

Toms has become a familiar figure on the test tracks of German motor companies, as he gathers information for his boss, U.S. transportation secretary Mr. John Volpe. But yesterday, the delegates were agog to see the lanky, fair-haired Toms sporting a massive plaster on his left arm. What accident had befallen the top U.S. traffic safety man?

It seems that Toms is, of all things, hooked on motorbike racing. He had an accident last week—not his first one—on a slippery California track. His other hobby is not without hazard either—horseriding. Clearly, Toms is a classic case of "set a thief to catch a thief."

How Fraser came to Rolls-Royce

Before Mr. Ian Fraser left merchant banking two and a half years ago to be the first director-general of the Takeover Panel, his directorships were no more than one would expect from a man as S. G. Warburg, besides associated Warburg companies, they included Wagon Finance Corporation and the British end of Bosch (both, as it happens, concerned with the motor business). Now, before he even returns to banking (this

time at Lazards) he is to be chairman of a much bigger operation, Rolls-Royce Motors.

There are two points Fraser wants to make clear. First, at Warburgs he did not specialise in motors, and he is going to Rolls-Royce purely as a "professional merchant banker." Secondly, he insists that the appointment has nothing to do with Lazards, even though he will be working for them, and even though Lazards were bankers to the old Rolls-Royce and may, indeed, be the bank which floats the new R-R Motors to the public. Fraser was approached by the Receiver, Mr. Rupert Nicholson, to be the non-executive chairman of the motor company before he had settled which bank he would work for.

The fact that Fraser's appointment dates from December, five months before his Takeover Panel job ends, indicates that the first changes in the status of R-R Motors may come early in the New Year. There is no conflict of interest in holding both jobs at once. Fraser points out, because no quoted company is involved. What will be involved, when it comes to "ambassadorial work," is a change in the Fraser transport. At present he drives a Triumph 2000 estate.

Enochous story

"There is still hope for the unemployed. A redundant young electrician made his way to the employment exchange in search of a new job. After discussing his requirements with the employment clerk, the electrician was told that there was nothing for him. 'But have you thought of emigrating?'" asked the Pakistani employment clerk.

Observer

Who'd ever think of thistles for Ikebana?

To be honest, flowers are one of the few things we don't arrange for shippers in the Far East. But perfection in Ikebana and the provision of a really comprehensive shipping service both stem from the same sources. The right materials, a lot of skill, and a lot of experience. And in Scotland Ben Line Containers have plenty of all three. Three giant ships and 5,000 containers on order, staff and offices covering the Far East (and providing you with on-the-spot marketing intelligence), backed by 150 years of personal service.

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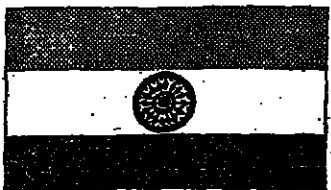


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As India and Pakistan talk of war, K. K. SHARMA, Our Delhi Correspondent, describes the background to the Indian Premier's three-week tour of Western capitals, and her demand for a political settlement in East Bengal

Mrs. Gandhi's mission in the West

IT HAS become highly probable, to put it no stronger, that there is going to be war between Pakistan and India. This is the background to the three-week tour of Western capitals which the Indian Prime Minister, Mrs. Indira Gandhi, embarked upon at the weekend, and which will bring her to Britain at the end of this week.



The Indians have just called up 600,000 army reservists. The Pakistanis claim to have killed over 500 "Indians or Indian agents" at the weekend in heavy fighting inside East Pakistan. The two Governments abuse each other with ever-growing violence. President Yahya Khan proposes that troops, both sides of the Bengal frontier fall back to "peace-time positions" (thus implying that both sides are in a war-like posture). The monsoon waters are at last going down, so that armies will soon be free to deploy. And from the camps, where over 9m. refugees are sheltered, there are reports of serious shortages of food and supplies.

The Indian Government's view, as it will be developed by Mrs. Gandhi on her tour, is that it is essential that the military rulers of Pakistan transform their political approach to Bangladesh if war is to be avoided. The Indians look to international pressure to force

this transformation. But there is little evidence, as seen from here, that Yahya will agree to change his stand, and all the portents are that the heavy concentrations of troops on both the Punjab and Bengal borders, itching to start where they left off in the 1965 conflict, will lead to fighting.

The Indian Government has made no secret of the fact that it intends to fight back if Pakistan's position remains rigid and he does not yield to demands for a political settlement in East Bengal.

In the current situation an acceptable settlement must require the return of democratic rule, the honoursing of the Awami League's victory in the December elections and the release of the Awami League leader Sheikh Mujibur Rahman. In India's view the East Bengalis will not settle for less and only after such a settlement will the nearly 10m. refugees now in India return to their homes.

Since Yahya is plainly not reconciled to such a settlement—which would mean in effect the dismemberment of Pakistan as a nation—it would seem that conflict is inevitable. The reasons for this are easy to see. There is little doubt that the efforts of the Bangla Desh liberation forces to create chaos in East Bengal by paralyzing administration through sabotage and such like military activities have been adequately successful so far.

It is clear, for example, that they have large tracts of East Pakistan territory under their control. The Pakistan Government's claim that the activities of the Mukhti Bahini guerrillas are being supported by the

Indian Army is officially denied here but there is obviously a great deal of truth in reports that a Bangla Desh government is virtually operating from West Bengal and operations are being launched with the concurrence of the Indian authorities. These military operations are certain to be stepped up in the coming days when the monsoon waters subside.

It is India's fear that the West Yahya's position remains rigid and he does not yield to demands for a political settlement in East Bengal.

plans to visit Western capitals when the country is almost on the brink of war?

When the tour was originally planned it was intended mainly to explain to Western leaders that the recently-signed Indo-Soviet treaty of friendship and co-operation—under which both sides will consult each other in the event of a threat to the security of either—has not meant any departure from India's traditional policy of non-alignment.

This may or may not be correct; many in India feel in any case that non-alignment is outdated. But sudden developments in the subcontinent which have brought India and Pakistan closer to war have changed the context of Mrs. Gandhi's foreign

tour. The main subject of her talks with Western leaders will now be East Bengal.

Mrs. Gandhi will do some blunt talking. She will ask Western leaders somehow to use their influence with the Pakistan Government to secure a change of policy which will enable the return of the refugees. The alternative would be an Indo-Pakistan war, Mrs. Gandhi will explain, and she will not mince words.

She will say, in effect, that the Indian Government will keep its options open; if any diplomatic pressure is to be exerted to prevent war its recipient should be Yahya, and the sooner this is done the better.

The Indian Government is aware that Mrs. Gandhi's visit to the West may not result in a significant or favourable change in the attitudes of other governments. Although most Western countries have praised India's restraint and sympathy

with her predicament in looking after nearly 10m. refugees, they have been reluctant to recognise the international character of the problem or to look at the Bangla Desh

struggle as a national liberation movement.

Still, Mrs. Gandhi does hope to impress on her hosts that the international community cannot any longer avoid the twin obligations of ensuring the return of the refugees or of substantial financial assistance to maintain them.

If putting diplomatic pressure on Pakistan rather than on India is Mrs. Gandhi's primary object in her mission to the West, trying to get more financial help for maintenance of the refugees is another. At present India faces a massive deficit in the current financial year, largely as a result of the burden of expenditure on the refugees. Other countries have given aid and promised more, but this barely touches the fringe of the problem, the inflationary impact of which is playing havoc with India's economy and eating away funds earmarked for development plans.

Just before she left, Mrs. Gandhi imposed new emergency taxation measures. This was clearly an attempt to demonstrate to other countries that India is doing its utmost to mobilise resources and that it is high time they chipped in.

In London, Mrs. Gandhi faces an awkward situation. Britain was among the first countries to disapprove of Pakistani atrocities in East Bengal and had gone further than most in outspoken condemnation of the Pakistani Army's actions. However, recent public pronouncements by British leaders have been on a low key and Indian observers feel this may be partly because of their anxiety not to worsen relations with Pakistan and partly because of

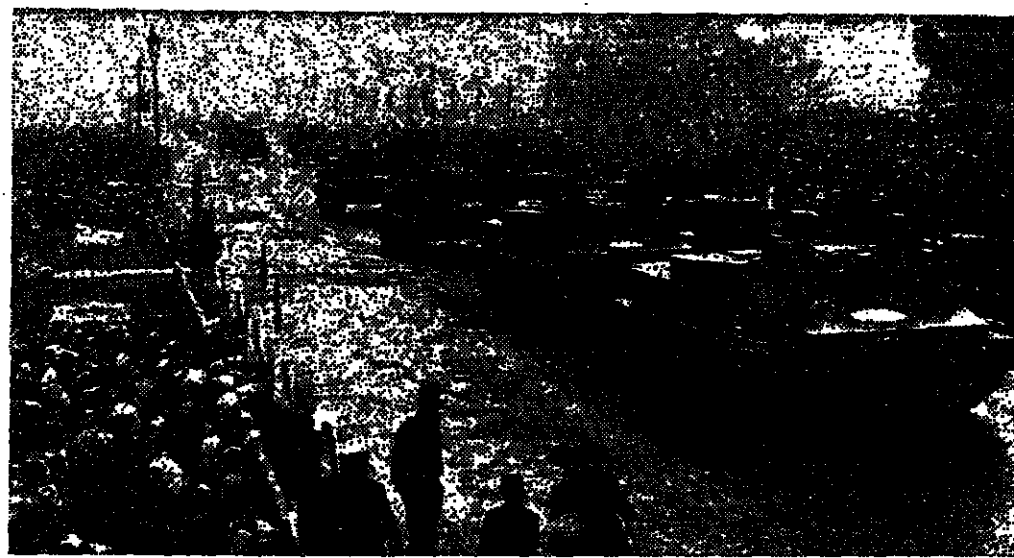
apprehension about the implications of the Indo-Soviet treaty for the power balance in South East Asia.

Mrs. Gandhi is hopeful of a receptive audience for her explanations and blunt talking, but she is not so certain what the response will be like on such issues as the possible repercussions on trade between India and the U.K. following Britain's entry into the Common Market.

The highlight of the tour, however, will be Mrs. Gandhi's meeting with President Nixon. This will take place against a background of continued U.S. support for the Pakistan military junta and recent disclosures by Senator Kennedy that army supplies to Pakistan are continuing despite the Administration's assurances to the contrary.

Mrs. Gandhi will not be surprised, therefore, if Washington informs her that U.S. policy to help restore a United Pakistan remains unchanged.

Yet she hopes to tell Mr. Nixon that his continued support of the military regime has implications far beyond the immediate issue of Bangla Desh. Indeed, events on the ground, here in the subcontinent, where the war clouds are blackening, may well obviate any need for Mrs. Gandhi to do much talking at all.



Armoured personnel carriers, used to transport infantry to the front line, displayed for the first time during the Republic Day Parade in New Delhi earlier this year.

Where the Indian Government admits to a direct concern is the refugees issue, for the obvious reason that as a result of the civil war the influx of refugees has created what is seen here as an unbearable burden on India, whose economy may well be shattered as a result. Why, then, did Mrs. Gandhi go ahead with

plans to visit Western capitals when the country is almost on the brink of war?

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Labour News

Walk-out threatened at Heathrow to-day

BY ROY ROGERS, LABOUR STAFF

BRITISH AIRPORTS Authority ground staff at Heathrow, London, have threatened to strike this afternoon. But BAA says, services are unlikely to be immediately affected.

The dispute involves 2,000 industrial workers who have been working to rule since the weekend in support of a 17 per cent pay claim that they want back-dated to October 1. A 6 per cent offer has been rejected by their union negotiators and talks are expected to be resumed next week.

Yesterday morning, a driver was sent home for refusing to work with another driver who was not taking part in the sanctions and 200 transport men walked out. Later, at a mass meeting, the industrial workers decided that all of them would strike to-day unless the driver, Mr. Gerry Ellis, is reinstated or suspended on full pay pending disciplinary inquiry.

A BAA spokesman said that Mr. Ellis had not been suspended. He had been "sighted" and was free to return when he agreed to work normally. An Afghan Airlines and opposition from the rank and file appeared to have subsided.

Service trouble

Whether by accident or design the recent increase in industrial activity at Heathrow could well mean more support for the shop stewards' call for a one-day strike next Monday when General Aviation Services is scheduled to begin servicing Iberian Airlines aircraft.

For almost two years Heathrow workers have campaigned to prevent American-controlled GAT from operating from Heathrow mainly because of redundancy fears. Recently, GAT has managed to establish itself at Heathrow with contracts with Saudi Arabian and Ariana.

Strike halts car output at Triumph plant

BY OUR MIDLANDS CORRESPONDENT

THE BACKLASH of the heavy toolroom strike spread all saloon and sports car production at the Triumph plant yesterday and there will be none today. More than 2,500 are laid off and output of about 1,000 bikes worth nearly £1m. will be lost.

This is due to a reprisal strike by 26 engineers who service Triumph cars. They are among the 7,000 toolroom and her skilled hourly-paid workers the city who have been striking every Monday since cancellation by the Engineering Employers' Association on September 1 of a 30-year-old "institutional" rate-freezing agreement in the engineering union.

When the employers retaliated a week by locking out on today those who had been on the previous day, the 36 Triumph engineers went on a one-day strike. However, under assurance from production managers at a meeting yesterday, they agreed to return to-morrow.

Laid off

In addition, Triumph is also the result of Monday's strike by 400 other toolroom and related workers and yesterday's counter lock-out. Some men at the Tile Hill body-assembly factory were laid off elsewhere in the city as more than 15,000 workers at more than 100 factories had to be sent home because plant and equipment is breaking down through lack of service.

On Monday night the toolroom p stewards decided to call for a one-day strike for at least a month and to seek a comparable agreement with non-union companies to the now-unionised toolroom agreement. It is automatically given workers under the agreement the same rate for skilled production workers and was used

Pilkington Australian flat and safety glass interests in merger

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

PILKINGTON Brothers and Australian Consolidated Industries are merging their flat and safety glass manufacturing interests in Australia into a joint company. The new company, Pilkington ACI, will build Australia's first float glass making plant at Dandenong, Victoria, costing over \$3m.

Invented by Pilkington, the float process is now licensed to 18 manufacturers in 11 countries. In all, the world's glass industry has invested \$300m. in the process and there are 33 float plants operating and 15 more under construction or planned.

The new Australian float plant, due to come on stream in 1974, will supply the whole of Australia's requirements for high-quality flat glass.

The decision to build the plant was taken in the light of the fast-growing market for flat glass in Australia. Demand, which stood at 106m. square feet in 1970-71, is expected to reach 125m. square feet in 1973-74 and 160m. square feet in 1978.

A medium-sized plant, the new facility will produce 1.5m. square feet of 4-inch thick glass a week. Apart from serving the Australian market it will service demand in Japan and other Far Eastern countries.

The new company will absorb AWG Holdings Pty, which makes sheet and rolled glass, and Pilkington Brothers (Australia) Pty., which manufactures safety glass. It will employ 2,000 people in seven plants, with assets employed exceeding £23m.

Funds for the venture will be provided by ACI and Pilkington and by private borrowings in Australia and overseas. There will be no public share or debenture issue.

Voting control

ACI will hold a small majority of the issued capital of the new company. There will be two classes of shares and Pilkington will hold a small majority of the voting shares.

ACI is a leading manufacturer of packaging goods, a wide range of glass products, building products and machinery in Australia. It is also active in mining and base metal exploration. It operates in Australia, New Zealand and the Far East.

Oil companies meeting soon to discuss unity on OPEC demands

BY ADRIAN HAMILTON

REPRESENTATIVES of the international oil companies are expected to meet again in London towards the end of this week to develop a common front in face of the latest producer country demands for participation in concessions and higher revenues.

The meeting follows similar discussions in New York earlier this month, when the companies agreed to co-ordinate their reactions to the Organisation of Petroleum Exporting Countries' resolutions on the two issues.

Clearance has now been gained from the U.S. Department of Justice, as in the OPEC negotiations earlier this year, reassuring the industry that concerted action on its part will not run foul of anti-trust legislation. The companies are also thought to have agreed a mutual aid programme in case of supply cut-off.

No formal approach for negotiations has yet been made by any of the producing countries and until this happens, discussions within the industry will remain preparatory.

One particular issue likely to be raised in London is the need for a common approach to the question of the compensation terms under which the producer countries are expected to buy a share of production.

While the countries are believed to be considering offering compensation on the basis of net book value of assets, the companies are likely to insist that they also take account of expected earnings levels.

They are also concerned about the "buy-back" price at which they may be asked to purchase the host country's share of production, once participation has been effected.

The advantages of a united approach to the question of the recent currency crisis, and its effect on host country earnings, are also believed to have been made apparent in the New York meetings of the companies.

The fall in the purchasing power of the dollar has had wide spread implications for the producing countries, which base their tax and royalties on a dollar posted price for crude oil exports.

Its impact, however, has differed widely between individual countries. Payments to many of the Gulf countries continue to be made in sterling on the basis of traditional DMF exchange rates and the oil companies are concerned in case any simplified solution upsets the present price stability of crude oil.

Saleroom

13,000 gns. for carriage clock

A 15½ in. high English striking perpetual calendar carriage clock by Dent's, the makers of Big Ben, was sold at Christie's yesterday for the record price of 13,000 gns to a Swiss dealer, Mannheim in a sale of timepieces and watches which totalled £71,266.

Mannheim also paid 6,500 gns for a French square gold and enamel verge watch by Louis Baroussau c. 1850 and 5,200 gns for a silver grande connerie tourbillon carriage clock by Nicole Nielsen and Co. A gold and enamel quarter repeating musical watch by Piquet and Meylan sold for 4,600 gns and a gilt metal and enamel verge watch c. 1700 signed D. Duare for 2,900 gns, both to Jarvis.

Christie's sale of Japanese works of art totalled £12,695, the wood sculpture of a standing figure of Shaka Nyorai of the

Muromachi period sold for 1,000 gns to a private buyer.

At Sotheby's Belgraveia, a sale of silver (1825-1910) realised £22,953. Levine gave £1,150 for an 83 oz. early Victorian dressing table mirror with silver-gilt mounts and with the initial "S" below a Royal ducal coronet, 1842.

At Sotheby's Bond Street, the second session of a two-day sale of printed books, Hebrew manuscripts and autograph letters realised £24,152, making £24,413. Quaritch gave £1,400 for Erasmus's *Novum Instrumentum*, the earliest published edition of the New Testament in Greek, 1516.

Eighteen letters by Napoleon fetched a total of £1,580, the highest price being £350 paid by Percy.

Sotheby's sale of English pottery and porcelain realised

£14,365. Jenkinson gave £1,050 for a pair of Derby figures of chaffinches and Baile £780 for a slipware press-moulded dish.

At Phillips's a sale of furniture, etc., totalled £23,264. Two 18th century Dutch marquetry bureau cabinets went for £1,800 each to Alexander and to Antonacci, and a single 19th century Viennese enamel horn cup to Wolfers, and Blake's *Illustrations of Book of Job*, edited by Binyon and Keynes for £330 to Simpson at Phillips's £11,219 book sale.

A two-day sale of stamps of Great Britain and Malta at Harmer's concluded with a total of £43,672. An engraver's proof of the 1840 one penny die fetched £2,000 (against an estimate of £200 to £400).

Reckitt to close Carlton cannery

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

RECKITT & COLMAN is closing where the group intends to centre its production operation in this field.

Preserves plant at Peterborough. It is no longer considered economic.

The closure will affect 250 workers eventually, but there are unlikely to be any substantial redundancies before next summer. Most dismissals are expected to take place in the spring of 1973.

Key workers are being given the chance to move to Norwich.

Reckitt & Colman group's food division.

Mr. Alfred Arison, district secretary of the Transport and General Workers' Union, said yesterday that the closure was not unexpected, because of a general decline in the food industry over the past few months. Nevertheless it was particularly disturbing that the Peterborough factory should close down at a time when unemployment in the area was at its highest since the 1930s.

The decision to transfer to the rationalisation on Norwich of the food and wine interests of

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COMPANY NEWS + COMMENT

Cape Asbestos up 18% in first half

GROUP PRE-TAX profits in excess of the £2,535,000 for 1970 are indicated by The Cape Asbestos Company for the current year.

First half profit expanded by 18 per cent, from £1,185,000 to £1,401,000, and while present conditions make forecasting exceptionally difficult, indications are that this improvement should be maintained for the remainder of the year, the directors state.

Exploration in the Prieska area continues but there are no results of significance to report.

The interim dividend is maintained at 7½ per cent. A total of 27½ per cent was paid for 1970.

Half-year 1970-71

Turnover 24,744,000

Trading surplus 2,432,000

Depreciation 1,643,930

Trading profit 1,725,162

Investment income 14,720

Interest payable 211,287

Profit before tax 1,537,305

Taxation 680,820

Profit after tax 856,485

Minority losses 747,602

Profit 1,594,107

Taxation, profit after tax, and minority losses for the first half of 1971 have been allocated to provide an allocation of annual charges more closely corresponding to the incidence of liability.

A breakdown of turnover and products sold to building and construction industry (1970-71)

Automotive industry £8,310 (£1,302 and £13,250)

General engineering and shipbuilding £2,220 (£2,296 and £4,982)

Other £1,982 (£2,939 and £3,451)

Net profit £1,594,107

Trading profit of £566 (£590 and £1,755)

Mr. R. H. Dent is chairman.

comment

Cape Asbestos's 18 per cent jump in first-half pre-tax profits reflects a substantial recovery on the building products side following its recent reorganisation.

The automotive and mining supplies sectors also made progress and the only problem now seems to be the engineering division which is suffering from a fall in export sales.

There are further benefits to come from the reorganisation and demand in most areas is currently buoyant, so the target of £2,950m pre-tax for the year seems well within reach. Thus, the shares at 14½ on a prospective p/e of 12.9 could still be fairly attractive.

Midway rise for Warner Estate

GROUP pre-tax profits ahead at £194,158, compared with £181,513, are announced by Warner Estate Holdings for the half-year ended September 30, 1971.

The interim dividend is maintained at 1p per 25p Ordinary share. For the year ended March 31, 1971, there was a total

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dividend of 3.25p, paid on a pre-tax profit of £380,414.

Half-year 1970-71

Profit 1,594,107

Tax 71,300

Net profit 1,522,807

Minority losses 1,222,807

Profit 1,522,807

After loan stock interest of £4,292

Directors state that circulars relating to the proposed one-for-three scrip issue, already announced, will be despatched in early December.

Claude Rye tops profit target

THE YEAR to June 30, 1971, has again produced record profits for Claude Rye, with the pre-tax figure expanding from £348,046 to £330,159, against the forecast of £300,000.

The dividend total is lifted from 20.5-ds per cent to 37½ per cent, with a final recommendation of 17½ per cent.

Chairman Mr. A. C. Rye reports that all sections participated in the record results—the group operates as bearing concessionaires and distributors, car contract hire specialists, dealers, etc. And he considers that, barring unforeseen circumstances, the profit and dividend will be maintained in the current year.

1970-71 1969-70

Profit 330,159

U.K. tax 31,491

Net profit 298,668

Minority losses 14,489

Profit 284,179

As Mr. Rye stated in the interim report, the directors are still extending bearing interests; and, therefore, need to retain a large proportion of profit in order to cope with this and the increase in finance and vehicle acquisitions.

The chairman has waived the interim and final dividends on his holding of 674,300 shares, and his son, Mr. R. C. Rye, has waived

present indications are "sufficiently favourable" that they should be able to recommend a final of not less than the 10 per cent, paid last year.

Forward sales for 1972 show encouraging trends and the directors feel justified in taking an

optimistic view for the ensuing year.

comment

In lifting 1970-71 pre-tax profits by 31 per cent, Claude Rye has beaten last April's forecast by 10 per cent, but even this was not enough to satisfy the market after the recent price strength and the shares slipped 7½ to 88p yesterday. Despite the ending of the bearings shortage this division has continued to be the profits dynamo though vehicles (just under 40 per cent of total sales) increased its contribution to roughly £100,000, against only £5,500 previously, on the back of an improvement in contract hire. The upshot is earnings of 11.5p (compared with only 2.3p two years ago) and a p/e of 8.6 at 88p. However, the group appears confident that the higher level of profitability can be maintained and a sizeable amount is being spent on expansion with a five-times dividend cover at present.

At least 15% from Tern-Consulate

Tern-Consulate, makers of shirts and ties, as foreshadowed, is resuming interim dividend payments, and forecasts a minimum 15 per cent total for 1971, against 10 per cent for 1970.

In their interim report the directors say that the first six months' pre-tax profit of £74,535 is "well ahead" of the same period for the previous year, and they have declared an interim dividend of 5 per cent.

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comment

Pritchard Cleaners' advance at attributable level after six months is 7 per cent, excluding the contribution from acquisitions.

Although there has been some reduction in margins over the period (half a point) the group has made across the board progress. Furthermore, this trend is expected to continue, with no particular activity or geographical area earmarked for exceptional growth. Assuming a static second half in the absence of any forecast (and adding a further £20,000 for acquisitions) Pritchard would appear to be heading for fully diluted earnings of 2.95p a share. In fact, this should be exceeded, but working on that basis the shares at 43p (up 30 per cent, on the year's low) are on a prospective p/e of 14½, which may not be giving sufficient credit to the consistent record.

16% total by Higsons Brewery

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1970-71 1969-70

Gross profit 795,750

Taxation 102,224

Net profit 693,526

Surplus tax provision 5,000

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Ordinary dividend 10.00p

Share subscription for loan stock

comment

Higsons Brewery rose 4p to 131p last night (more than double the 1970-71 low) following the 22 per cent rise in full-year pre-tax profits. This is well in line with the national trend for small brewers, but after a 29 per cent half-year rise the growth rate slowed to only 17 per cent in the second six months; the weather was not as good as in the corresponding summer period of 1970, when Higsons was also helped by a strike at its main Merseyside competitor. Last December's price increases made the main difference for the year as a whole and Higsons is well placed here with roughly 75 per cent of its houses under managed operation. Otherwise it is the usual national pattern of an increasing share for higher margin products like keg beers, and Merseyside's specific unemployment problems have not made an impact yet. So even after the recent price strength the shares do not look overvalued on a p/e of 13.9 despite the limited takeover interest.

Consolidated Trust pays forecast 25%

A final dividend of 16 per cent, by the Consolidated Trust, makes the forecast 25 per cent total for the year to September 30, 1971. For the 17½ months period to September 30, 1970, the total was 36 per cent, equal to an annual rate of 24.68 per cent.

Revenue for the year was £502,132 before tax of £223,823. For the 17½ months revenue was £589,669 subject to tax of £264,469.

The net asset value per Deferred 25p share was 187p (189p).

The net asset value per Deferred share has been arrived at as if the convertible loan stock issued in December, 1970, had been converted, at the rate ruling in 1970 (the first conversion year), of 160p of stock for each deferred share. Debenture and preferred stocks have been deducted at nominal values. No account has been taken of any liability to capital gains tax which might arise on future disposals of investments.

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The "somewhat better" result for 1970-71 envisaged last May, turns out to be an increase in

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comment

Tern-Consulate's first half performance suggests that the group is finally getting the pay-off from the reorganisation and rationalisation which followed the 1968 setback.

In 1968 the group moved into the field of women's clothing, but this ran into losses of £187,000. Profits remained depressed until last year when the first signs of a pick-up started to show through, reflecting the group's concentration on its traditional side and its recent move towards more modern shirts and ties. The second half is usually the more profitable taking in the run-up to Christmas so the group might be capable of returning to £175,000 pre-tax overall. At 51p that implies a prospective p/e of 6.7, which gives the shares a firm re-rating base if Tern can keep moving forward.

comment

In lifting 1970-71 pre-tax profits by 31 per cent, Claude Rye has beaten last April's forecast by 10 per cent, but even this was not enough to satisfy the market after the recent price strength and the shares slipped 7½ to 88p yesterday. Despite the ending of the bearings shortage this division has continued to be the profits dynamo though vehicles (just under 40 per cent of total sales) increased its contribution to roughly £100,000, against only £5,500 previously, on the back of an improvement in contract hire. The upshot is earnings of 11.5p (compared with only 2.3p two years ago) and a p/e of 8.6 at 88p. However, the group appears confident that the higher level of profitability can be maintained and a sizeable amount is being spent on expansion with a five-times dividend cover at present.

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

VW's new chief cancels '73 models sub contracts

BY MALCOLM RUTHERFORD

VOLKSWAGEN has cancelled a considerable number of orders for cars and vans for 1973. The move is seen as one of the first steps in a new strategy for the company, which is now being led by the new managing director, Herr Leiding, who took over on October 1, that he would review the company's models policy.

A company spokesman, however, would not confirm today that the cancellation of orders meant that any particular new models had been abandoned yet, suggesting only that VW may want to switch to new suppliers. Nor would he give any figure for the number of orders involved, though about 100,000 is being mentioned.

The models in question are said to be two medium-sized 1300 and 1500 cc vehicles. Designed by the Porsche engineering team, which works closely with VW, the company has not said which models are affected by the cancellations, but one of them is understood to be the Volkswagen of Stuttgart. Rumours of the development, which VW confirmed today, have been depressing the accessory makers in general.

Air India in hotel move

BY OUR OWN CORRESPONDENT CALCUTTA, Oct. 26.

AIR INDIA is moving its headquarters from the old building in Connaught Place to a new one in the heart of the city. The move is part of a plan to expand the airline's facilities in the region. The new building is a modern structure with a large terminal and a parking area for passengers. The airline is also planning to increase its fleet and expand its routes to other parts of the world.

\$15m. JARDINES

EURO \$ LOAN

JARDINES MATHESON International NV is to issue early next month \$15m. debentures, which will be guaranteed by Jardine Matheson and Co. and will have a warrant attached to each \$1,000 debenture to subscribe the equivalent of about \$500 for stock of Jardine Matheson and Co. The offering will be made in the international capital market through a group of underwriters headed by Morgan and Cie International, of Paris, and Jardine Fleming and Co., of Hong Kong.

Chiyoda, Mitsubishi in \$127m. Saudi deal

BY OUR MIDDLE EAST CORRESPONDENT

TWO JAPANESE concerns, the a two-to three-year period, will Chiyoda Chemical and Engineering Construction Company and Mitsubishi Shoji Kaisha, are on the verge of signing a deal involving the construction of two refinery projects valued at \$127m. in Saudi Arabia in exchange for about 10m. tons of "royalty" crude oil.

According to the authoritative oil journal, the Middle East Economic Survey, all the details of the deal, which is being negotiated by the Japanese Government, will be made public in the near future. The deal will involve the largest amount of royalty oil (which is a producing country can take from its concessionaire) in lieu of the 12% per cent. royalty payments exchanged in one transaction.

Under the reported barter arrangement, Chiyoda and Mitsubishi will expand the existing refinery at Jeddah from its present capacity of 12,000 barrels a day to 45,000 barrels a day and build a new one at Riyadh, which will have a capacity of 30,000 barrels a day. Both projects are high priorities in the Saudi Five-Year Plan, now at the beginning of its second year.

Middle East Economic Survey says that the price of the crude oil, which will come from the Arabian American Oil Company's production and be delivered over

AUSTRIA'S NATIONALISED SECTOR

For 25 years a political bone

BY PAUL LENDVAL VIENNA CORRESPONDENT

AUSTRIA'S nationalised industries look forward to a rosy future, according to the first annual report of OIAG (Oesterreichische Industrie- und Gewerkschaften) the nationalised sector's holding company. The report proudly states that the consolidated balance sheet of the 13 State-owned companies, with their numerous subsidiaries, total Sch.1,500m. (235m.), while consolidated turnover last year by 11 per cent. to Sch.4,400m. (over £700m.). Yet despite this encouraging picture, Herr Franz Geist, chairman of the Board of OIAG, frankly admitted that the Board still does not have an "overall development concept" for this vast conglomerate. Worse still, even partial solutions for its various branches have not yet been worked out, and already the first vagaries of the new management are being felt.

But it would be unjust to blame the new holding company alone. Since Austria's basic industries were nationalised 25 years ago—crude oil, mining, steel, aluminium, the bulk of the chemical industry, and the power sector—electrical and engineering industries—this sprawling empire has been subjected to political battles, driving the two major political parties, the Socialists and the People's Party.

The form of Government control and the distribution of ownership have reflected the fortunes of these two major parties, which jointly ruled the country for over two decades until 1966.

It was then, in the wake of the People's Party's electoral victory, that the reorganisation of this vital sector, which accounts for one-fifth of all industrial production, began in earnest. It was a 33-year-old banker, Dr. Josef Taus, who first as Secretary of State and one year later as chairman of the Board of OIAG, embarked on the thorough shake-up of the nationalised industries. While the first holding company exercised the

Toyota to hit profits record

TOKYO, Oct. 26.

TOYOTA Motor Sales Company will report record after-tax profits of about Yen 10,000m. for the six months to September 30, against Yen 9,000m. for the previous six months. Gross sales will be about Yen 535,000m. (486,034m.).

The company is the sales division of Toyota Motor Corp., which will announce these results on October 30. An unchanged dividend of Yen 3.75 per share of Yen 50 par value will be declared. But the export growth rate for Toyota cars to the U.S. will decline sharply in 1972, because of large price increases and smaller market saturation.

Toyota expects shipments to the U.S. this year to reach 360,000 to 370,000 units, up about 7% per cent. from the 210,000 vehicles shipped in 1970, and during 1972 they should rise 10 per cent. or less from the 1971 total.

NISSAN NOT TO SLOW U.S. SALES

TOKYO, Oct. 26.

NISSAN MOTOR COMPANY's after-tax profit is likely to rise to Yen 15,000m. for the six months to September 30, compared with Yen 14,387m. in the previous six months. Gross sales should reach Yen 450,000m. (417,091m.).

The company said domestic sales over the last six months rose 7% to 475,000 units from 449,000 units, exports advanced to 305,000 units from 266,000.

Nissan said it does not intend to restrict shipments to the U.S. particularly in view of the slump in the Japanese market.

Reuter-AP-DJ

SELECTIVE EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

Bid	Offer	Bid	Offer	Bid	Offer
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
Atlas Corp 5 1/2% 1985	108	104	104	104	104
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IN BRIEF

Europe

CONTROL DATA (FRANCE) said its U.S. subsidiary, Commercial Credit Company, formed a French company, Commercial Services (France), to undertake leasing operations. It will provide financing on a leasing basis for large equipment purchases, but not for the leasing of computer equipment, which is undertaken by Control Data by Commercial Computers (France).

PHILIPS GLOEDAMPEN FARKEN plans to cut back development work on a heavy duty, low-pollution, hot-air Stirling engine because of high costs, but will continue work to develop such an engine for cars.

FINANZIARIA BREDA net income for the year ended June 30 to Lire 917.1m. Net profit for the first half of year was Lire 465.1m. Dividend Lire 142 against Lire 165. Finanziaria Ernesto Breda is controlled by Ente Partecipazioni Industriali, a government financing concern.

MOTOR-COLUMBUS expects earnings in current year ending next June 30 to enable it to pay a maintained 1% per cent. dividend. In year ended June 30, company net profit rose slightly to Fr.10.2m. from Fr.10.1m. in pre-1970 period.

GANZ-AYAG, the Hungarian engineering concern, has purchased licences for the use of patents of the Swiss Schindler group for the manufacture of passenger and furniture lifts. Schindler engineers in Switzerland and send Hungarian experts of its own to Hungary.

LE MATERIEL TELEPHONE International Telephone and Telegraph Corp., of the U.S., said half provisional net profit for 1970 was Fr.16.5m. from Fr.12.5m. in first half 1970.

CREDIT SUISSE is to open a branch office in London in early 1972.

SAINT GOBAIN - PONT-A - dividend for current year from net Fr.5.80 for 1970. Net profit for the first half of year was Fr.3.52m. compared with Fr.3.13m. for the whole of 1970.

North America

PHILIPS PETROLEUM COMPANY nine-month net earnings rose to \$99.1m. (\$129 per share) from restated \$89.8m. (\$121) in the first half of year. Net profit for the first half of year was \$99.1m. compared with \$89.8m. for the whole of 1970.

WALTER THOMPSON COMPANY reported higher earnings for the third quarter and nine-month period. Billings for its U.S.

Others

NIIGATA ENGINEERING COMPANY reached basic agreement with Arco Steel Corporation of the U.S. to get an American licence on the manufacture and sale of large drilling equipment for oil and natural gas exploration. Niigata hopes to sign formal contract for a technical tie-up shortly.

AUTOMATED BUILDING CONCEPTS said its subsidiary ABC (Australia) Pty., has completed joint venture arrangement with Mitsubishi Shoji Kaisha. Venture will introduce automated building systems to the Japanese construction industry.

DORMAN LONG (AFRICA) said its offers for the entire issued share capital of Wright, Anderson (South Africa) resulted in acceptances for \$5.99 per cent. of Ordinary shares and 36 per cent. of Preference shares. Closing date of offer for preference shares extended until November 5.

MITSUBISHI HEAVY INDUSTRIES is to supply New Zealand Government Railways with total value of 1971 compared with 1970 period. Preliminary results indicate a loss of about \$5.5m. for third quarter.

RECENT ISSUES

EQUITIES

Issue Price	Amount	Up	Down	1971	Stock	Dividend	Yield	Price	Dividend	Yield
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100

FIXED INTEREST STOCKS

Issue Price	Amount	Up	Down	1971	Stock	Dividend	Yield	Price	Dividend	Yield
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100

"RIGHTS" OFFERS

Issue Price	Amount	Up	Down	1971	Stock	Dividend	Yield	Price	Dividend	Yield
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100

COMPANY NEWS

First half profit upsurge for Minet

Because of a material increase in the profits of the overseas subsidiary and associated companies of Minet Holdings group profit for the six months to June 30, 1971, increased by 23.6 per cent. to \$770,000 over the first half of 1970. This compares with an increase of 10 per cent. for the first half of 1970.

Although it is not possible to estimate the profit of the 1971 year, "it is thought that this will be satisfactory," says chairman, Sir L. H. Clark.

An interim dividend of 15 per cent. is declared, against equivalent of 11 per cent. The 1970 total was equal to 30 per cent. on a pre-tax profit of £2,047,661.

Despite the continuing problem of cost increases it is anticipated that the current year for Brooks Ventilation Units should once more show "even better results," chairman, Mr. W. G. Brooks, tells members.

Recent acquisitions allied to existing products and business connections will considerably strengthen the group's position in the rapidly increasing markets for air conditioning and air filtration equipment.

The chairman is confident this will improve growth potential and result in an increasing contribution to group profits.

Export orders received last year were at a record level and further expansion of export business is planned for the future.

As reported on October 8, group profit, before tax, for the first half of 1971, was £2,047,661, improved from £2,047,661 in 1970. The total dividend is 15 per cent., compared with the 10 per cent. for 1970.

At June 26, 1971, the beneficial holding of the chairman was 891,232 Ordinary 20p shares. The dividend is subject to a further 99 per cent. of the payment on those shares.

Meeting, Croydon, November 18, at noon.

Consolidated Commercial upturn

A considerable increase in pre-tax profits, from £117,896 to £219,384, is reported by Consolidated Commercial for the first half of 1971.

A maintained interim dividend of 3 per cent. is declared for the previous year, there was a total of 81 per cent. paid on a profit of £231,856.

Trading profits: 1971 1970
U.K. 7,229 6,526
Overseas 138,275 107,172
Total 145,504 113,698
Investment income 12,672 17,943
Less: 1971 1970
Taxation 13,420 21,718
Net profit 132,056 101,923
Attributable 55,679 42,236

BENTALLS

Department stores group Bentalls maintained yesterday that as far as it was aware any suggestions or rumours about a bid "are without foundation." The directors added that the death recently of Mr. Gerald C. Bentalls would not affect the present control of the company. Following this statement the shares closed down at 99p last night.

BELGRAVE MILLS The directors of Belgrave Mills (Holdings) yesterday pointed out that the purpose of the circular

Growth for Brooks Ventilation

Despite the continuing problem of cost increases it is anticipated that the current year for Brooks Ventilation Units should once more show "even better results," chairman, Mr. W. G. Brooks, tells members.

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Harrisons & Crosfield lifts dividend by 5%

HARRISONS & CROSFIELD, plantation, shipping and insurance agents, etc., Harrisons and Crosfield is raising its dividend from 20 pence to 21 pence, a 5 per cent. increase, for the year ended June 30, 1971, with a final of 30 per cent. A one-for-ten scrip issue, for holders registered on November 15, is also proposed.

Group pre-tax profit expanded from £2,047,661 to £2,047,661, including this year exceptional items totalling £200,619 less losses, on long-term investment. Pre-tax profit for the first half was up from £1,227,000 to £1,855,000.

Profit in trading: 1971 1970
Investment income 7,229 6,526
Exceptional items 138,275 107,172
Total pre-tax profit 145,504 113,698
Less: 1971 1970
Overseas 13,420 21,718
Other U.K. tax 1,227 1,855
Tax adjustments 1,227 1,855
Preference div. 1,227 1,855
Attrib. ordinary 2,047,661 2,047,661
Add to reserves 1,227 1,855
Profit less loss on long-term investments 1,227 1,855
£10 double tax relief 10a excess/deficit items

SEAPOWNERS and shipbuilders, etc., Charles Hill of Bristol, incurred a group loss of £270,000, against £20,000, for the first half of 1971, reflecting an increased debt of £470,000, compared with £200,000, by Dart Container line.

For the year 1970, there was a loss of £287,227 after a Dart Container Douglas Bayle, chairman of English and Overseas, and his West End property consultants, Grant and Partners.

It is not yet possible to estimate with accuracy what the results for the year may be. The directors have declared an unchanged interim dividend of 2 pence. The 1970 final was 4 pence.

The figures for Dart are disappointing and a severe downward arrow for the group. The Dart Container line, which is a subsidiary of the group, has been a major factor in the group's losses.

Dart was adversely affected by the very late delivery of the container ship, Dart Atlantic, and her subsequent breakdown. The Dart Container line, which is a subsidiary of the group, has been a major factor in the group's losses.

A final dividend of 4.25p per 50p Ordinary share by Border and Southern Stockholders Trust is to be paid on October 31, 1971, for the year ended September 30, 1971.

After tax of £455,904 (£458,488) the net revenue was marginally down at £266,646, compared with £260,436.

The Treasury announced that a conversion offer will be made to holders of 51 per cent. National Development Bonds (First Conversion Issue) issued on October 1, 1967, and due for redemption on February 15, 1972. These bonds will mature on March 1, 1972, and are repayable on application at £102 per cent. upon maturity.

Holders will be invited to exchange on March 1, 1972, into 7 per cent. British Savings Bonds. These bonds are the same as those issued under the National Development Bonds (Second Issue) currently on sale, except that interest is payable February 15 and August 15.

Holders of the maturing 51 per cent. bonds who decide not to accept conversion should apply for repayment. A prospectus and notice will be sent out on October 15.

KURUNEGALA

DENIAL The directors of Kurunegala Holdings deny all knowledge of a possible property injection, which has given rise to sharp industrial and

Campbell and Isherwood up at halfway

Profits of Campbell and Isherwood, wood, increased from £145,000 in the first six months of 1971, before tax of £80,000.

Due to continuing intense competition, margins are still under pressure and directors do not expect second half profits to rise at a rate of the investment in the first half. For the year 1970, pre-tax profits were £253,651.

Turnover in the first half was £31,000 (£45,000). The group trades as engineers, speculators, ship installation and

(Incorporated in Scotland under the Companies Acts 1908 and 1917)

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Falling profit rate

... ..

Sir Alexander Glen

He added that there was need to spend money on research and

newspapers and magazines of the future. Television, said Mr. Roberts, meant that the breaking of a Press at monopoly of communications had introduced smugness and complacency. Newspapers remained the "No. 1" news medium, having survived the trials.

He went on to talk of the need postage has been increased

[illegible]

For many years the importation of conifers, including the Norway spruce—the traditional Christmas tree in Britain—has been prohibited. The reason for this is that very serious diseases

FORMERLY THE DUNDEE, PERTH AND LONDON SHIPPING COMPANY LIMITED
(Incorporated in Scotland under the Companies Acts, 1906 and 1913)

(Incorporated in Scotland under the Companies Acts, 1908 and 1913)

*Issued and
to be issued,
fully paid*

To be issued
£600,000

DIRECTORS **AUDITORS AND REPORTING ACCOUNTANTS**

AUDITORS AND REPORTING ACCOUNTANTS

AUDITORS AND REPORTING ACCOUNTANTS
ARTHUR YOUNG McCLELLAND MOORES & CO., Moor House, London Wall, London EC3Y 5EP (Chartered Accountants)
BANKERS
SLATER, WALKER LIMITED, 30, St. Paul's Churchyard, London EC4M 8DA
THE ROYAL BANK OF SCOTLAND LIMITED, 37, Nicholas Lane, London EC4P 4HX
SECRETARY AND REGISTERED OFFICE
CYRIL DAVID LEPPER, 26, East Dock Street, Dundee.
REGISTRARS AND TRANSFER OFFICE
OAKFIELD REGISTRARS LIMITED, Oakfield House, Perrymount Road, Haywards Heath, Sussex RH16 3ER.

	\$	£	£
	Cost of	Accumulated	
	acquisition	depreciation	
FIXED ASSETS			
Freehold property (Note 1)	\$4,130	—	\$4,130
Land and buildings (Note 1)	129,830	—	129,830
Motor leasehold property (Note 1)	37,000	—	37,000
Short term investments	2,300	—	2,300
Motor vehicles and trailers	438,230	89,323	348,907
Plant and equipment	24,333	7,230	17,103
	<u>729,823</u>	<u>96,553</u>	<u>633,270</u>
Less Hire-purchase commitments	—	—	\$1,721
PROPERTY ASSETS			<u>631,549</u>

Stock at lower of cost and net Realizable value	12,000	
Debitors	230,513	
Cash	7,674	
	250,187	
Less CURRENT LIABILITIES		
Creditors	110,585	
Current taxation	74,542	
	184,710	
NET CURRENT ASSETS		65,477
OTHER LIABILITIES		
Loan Note	154,839	
		409,785

Corporation taxation payable 1st January, 1979 10.674
Deferred taxation (Note 5) 32.100

126.802

NET TANGIBLE ASSETS **£27,156**

NOTES:

(A) The properties were received in June, 1979, on the basis of open market value with vacant possession. Messrs. Dunlop, Heywood & Co., Chartered Surveyors, of Manchester, at £27,150, of which £13,550 relates to the land and £13,600 to the buildings, provided a valuation for the purposes of the Companies Act, 1967. The properties were sold at £28,000, of which £14,000 was the net proceeds. The net proceeds were used to purchase the properties in the above valuation. The net proceeds were used to purchase the properties in the above valuation. The net proceeds were used to purchase the properties in the above valuation.

[illegible]

Arthur Young MacCanada
Moore & Co.
Chartered Accountants

TO FORM STATEMENT OF NET TANGIBLE ASSETS

The consolidated net tangible assets of the Company, excluding the T & W group, at 31st March, 1971, are set out below in column 1. The consolidated net tangible assets of the Company and its subsidiaries as used on the audited consolidated balance sheets of the Company and its subsidiaries at 31st March, 1971, and the subsidiaries of T & W at 30th February, 1971, after making the adjustments referred to in the notes to the accounts, and adjusting for the capitalisation of the loan from Slater, Walker Limited as to the loan units are set out in column 2 below.

Column 1	Column 2
£'000	£'000
FIXED ASSETS	
Fixed Assets at cost on valuation	

29	Leasehold Properties at cost or valuation	192
33	Plant and equipment, motor vehicles, fixtures and fittings at cost	
	Less accumulated depreciations	390
134	Less hire purchase commitments	
134		
29	Associated Companies	
1	Investments	
	CURRENT ASSETS	
19	Stocks at lower of cost and net realisable value	23
549	Debtors	729
443	Cash	1,049
1,010		1,301

	<u>Less</u>	<u>CURRENT LIABILITIES</u>	
519	472	Ordinary	563
683	19	Current Taxation	84
	451		676
		<u>NET CURRENT ASSETS</u>	1
			1
		<u>OTHER LIABILITIES</u>	
		Corporation taxation payable 1st January, 1973	11
		Deferred taxation	35

123- 6 per cent. Convertible Unsecured Loan Stock
653
123- Minority interests in subsidiary companies
650
NET TANGIBLE ASSETS
NOTE 1:-The above statement does not include any figures in respect of the Company's investment in Chanak. The Company owns 44.4 per cent. of the issued ordinary share capital of Seasham, which was acquired by the Company in 1976. The net tangible assets of Seasham attributable to its ordinary shareholders at 31st December, 1979, the date of the last audited accounts, were \$33,945
NOTE 2:-Since 31st March, 1971, the Company has acquired a minority interest in Channel Shipping Limited.

CAPITAL HISTORY

On 8th June, 1954, the date of the Incorporation of the Company with limited liability, the authorized share capital of £100,000 was divided into 200,000 stock units of £1 each all of which had been issued. On 23rd October, 1954, the stock units of £1 each to the capital of the Company were converted into ordinary shares of £1 each and each such ordinary share was issued for 20p each. On 23rd October, 1954, the authorized share capital of £100,000 was increased from £200,000 to £1,000,000 by the creation of 3,800,000 ordinary shares of 20p each. Immediately following the grant of quotation for the ordinary shares in the Companies' Prospectus of 23rd October, 1954, the authorized share capital of £1,000,000 was increased to £1,475,000 made up of 7,375,000 shares of £1 each and interest thereon and 353,333 ordinary shares of 20p each will be issued to the vendors of T & W. The full exercise of all the conversion rights attaching to the loan units would result in the authorized share capital of £1,475,000 being increased to £1,828,333.

On 20th October, 1971, T & W allotted 250 ordinary shares of £1 each to the vendors of T & W set out in paragraph (iv) below for an effective subscription price of £150,000. The 250 shares were issued to the vendors of T & W by the Directors pursuant to the Share Licence.

Under the Scheme, such executives may be asked to contribute to the Scheme by way of a cash payment of up to \$50,000 in the form of a loan to the Company. The loan may be repaid by the Company over a period of up to 10 years. The loan may be repaid by the Company over a period of up to 10 years. The loan may be repaid by the Company over a period of up to 10 years.

of the Company (all of which are beneficial) as they will be following the acquisition of T & W as set out below:-

M. A. C. Buckley	129,940	332,354
M. S. Chambers	130,940	332,354
J. Nuttall	91,565	

Following the acquisition of T & W and the issue of shares in satisfaction of the loan from Slater, Wright & Co. Limited and the issue of shares to the shareholders and associates of the latter Companies Limited will be beneficially interested in 59,071 shares, being 23.2 per cent. of the issued share capital of the Company, and 59,068 loan units (31.6 per cent.). Midland Bank (Thamesmead Street) Nominees Limited holds approximately 10 per cent. of the issued share capital. Save as disclosed above, no person will be interested in 10 per cent. or more of the issued ordinary share capital or 10 per cent. of the Company.

PROPERTIES AND PREMISES

The Company and its subsidiaries own or lease the following principal properties:-

[illegible]

Public Warehouse, Victoria Dock, Dundee	Warehouse	12,800	sq. ft.	15th May, 1909	£390 p.a. Subject to review 1910, 1909.
Private Lane, Runcorn	Office	768	"	Half-yearly	£100 p.a.
20, Victoria Dock, Dundee	Warehouse	12,400	"	30th April, 1972	£100 p.a.
1st Trade Shed, Harbour, Kirkcaldy	Warehouse	2,854	"	11th November, 1972	£125 p.a.
1st Stand, Harbour, Kirkcaldy	Call Stand	1,040	"	"	£700 p.a.
Postmasters Road, Strathford	Offices and Warehouse	7,000	"	" 6 months' notice	£150 p.a.
1st Shed, New Harbour, Perth	Warehouse	13,420	"	"	£8,000 p.a.
Quack Chambers, Queen's Terrace, Glasgow	Warehouse	13,420	"	"	£700 p.a.

Champion	Offices	1,000	1971	1970 p.a.
Crown Street, Aberdeen	Offices	300	1971	1970 p.a.
Green Street, London	Offices	600	1971	1970 p.a.
			17th February,	
North Quay, Jersey	Offices	1,200	1971	1970 p.a.
			24th December,	1967
Warehouse, New North Quay,			1967	
Warehouse		2,100	1971	1970 p.a.
			24th December,	1967
			1967	

321-337, Derby Road, Beethle	Offices and warehouses	1.50 acres	31st July, 1939	£5.00 p.a. Sublet to review 1st and 1940.	
4. PRINCIPAL SUBSIDIARIES						
Details of the principal subsidiaries of the Company and T & W are as follows:—						
<i>Company</i>	<i>Date and Country of Incorporation</i>	<i>Issued Capital</i>	<i>Percentage owned by or attributable to the Company 100%.</i>	<i>Principal Business</i>		
The Dundee, Perth and London Shipping Company Limited, (Formerly P. S. Nicoll & Co. Limited)	31st December, 1934 (Scot- land)	£7,000	100%	Sea, Rail and Road Trans- port, Stevedores and Ware- housing Agents.		
Leith Wilson Line Limited	28th July, 1934 (England)	£128,000	99.52%	Sea Transport and Ship- ping and Forwarding Agents.		
Wardnes Shipping Limited	8th August, 1933 (England)	£200	94.21%	Shipping and Forwarding Agents.		
Andrew Gray Limited	27th March, 1937 (Scotland)	£1,400	100%	Ship Chandlery, Stevedore and Builders' Merchants		
Channel Shipping Limited	6th August, 1933 (Channel Islands)	£125,000	100%	Shipping Agents.		
J. G. Renouf & Company Limited	29th August, 1933 (Channel Islands)	£33,800	100%	Shipping Agents.		
N. Wilson Shipping Com- pany (Dundee) Limited	1st July, 1930 (Scotland)	£12,000	100%	Shipping and Forwarding Agents.		
H. Nunnall & Sons Limited	7th July, 1934 (England)	£23,777	100%	Road Transport and Ware- housing		
Canton Transport Limited	18th December, 1934 (Eng- land)	£5,000	100%	Road Transport.		
Transport & Warehousing (Charles) Limited	2nd November, 1936 (Eng- land)	£100	100%	Road Transport and Ware- housing		
Charles & W. H. Taylor Limited	27th May, 1936 (England)	£4,000	100%	Road Transport and Ware- housing		
William Gambel & Sons Limited	7th June, 1937 (England)	£3,000	100%	Road Transport and Ware- housing.		
Storage & Packing Facilities Limited	16th March, 1931 (England)	£5,000	100%	Storage and Warehousing		
Burnhouse Limited	Contracts	18th September, 1931 (Eng- land)	£126	100%	Road Transport.	
Burnhouse Transport (Pen- arth) Limited	30th May, 1933 (England)	£3,000	100%	Road Transport.		

* The outstanding capital of Lockett Wilson Line Limited which owns 100 per cent. of Wardnes Shipping

(v) Subject to the provisions of the Companies Act, 1960, the Company nor any of its subsidiaries has any litigation or claims of material importance pending or threatened against it or them.

(vi) A certificate of exemption has been granted by the Council of The Stock Exchange, London, pursuant to section 28 of The Companies Act, 1960.

4. ARTICLES OF ASSOCIATION

The Memorandum and the Articles of Association of the Company contain (inter alia) provisions to the following effect:-

(a) Subject to any special terms as to voting upon which any shares may have been issued, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote.

(b) Subject to any special terms as to voting upon which any shares may have been issued, on a show of hands every member present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every 50p in the aggregate paid up in respect of the nominal amount of Ordinary Shares held by him.

(c) The Company shall not be bound to pay any dividend or other moneys payable in respect of the nominal amount of Ordinary Shares held by any member who has not paid up in respect of the nominal amount of such shares.

(d) There is no share qualification for Directors.

(e) The Directors shall be entitled to receive remuneration for their services as Directors of the Company.

not at any time, without the previous sanction of the Company in General Meeting, exceed a sum equal to the aggregate of the issued and paid-up share capital of the Company and the amount standing to the credit of the Reserve Fund; provided that the said limit shall not apply in relation to the Annual Capital Redemption Reserve Fund and Profit and Loss Account; of the Company and its subsidiaries.

Unless the Company in General Meeting shall otherwise determine, every Director shall retire at the Annual General Meeting next following the date upon which he shall attain the age of 63 and no person shall be eligible for re-election as Director unless he has been appointed or re-appointed by resolution passed at a meeting of the Directors held after the retirement of the retiring Director.

It shall be given effect to the intention to make the appointment and the Company in General Meeting approved.

(c) **MATERIAL CONTRACTS**

The following are the Service Agreements of the Directors of the Company and the Contracts, which have been entered into during the two years immediately preceding the date of this Advertisement:

(i) The ordinary course of business which are or may be material:-

(A) The Company has entered into a contract with the Government of India for the purchase of the minority interest in Chandra Shipping Limited from Consignments Corporation Limited and Evergreen Corporation Limited.

(vii) Dated 24th September, 1972, between the Company (1), M. A. C. Buckley, J. M. Chalmers and J. M. Chalmers (2), M. A. C. Buckley (3) and Slater, Walker Limited (4) being the agreement whereby M. A. C. Buckley (3) and Slater, Walker Limited (4) have agreed to place £25,000 in the form of loan notes to the Company (1) and Slater, Walker Limited (4) to place £25,000 loan notes with the public.

(viii) Dated 24th October, 1972, between T & W (1) and J. M. Chalmers (2) being the Service Agreement whereby J. M. Chalmers (2) has agreed to provide T & W (1) with the following services for the period 1st January 1973 to 31st December 1976: a salary of £8,500 per annum is payable to Mr. Chalmers (2) together with commission at the rate of 1 per cent per annum on the net profits of T & W up to £100,000, 1 1/2 per cent per annum thereafter on profits in excess of £100,000, 2 per cent per annum thereafter on profits in excess of £200,000 of such profits to be paid annually.

(viii) Dated 24th October, 1972, between The Dundee, Perth & London Shipping Company Limited (1) and J. M. Chalmers (2), being the Service Agreement whereby J. M. Chalmers (2) has agreed to provide The Dundee, Perth and London Shipping Company Limited as Managing Director. The Agreement expires on 31st December 1976.

(i) Memorandum and Articles of Association of the Company.
(ii) Memorandum and Articles of Association of T & W.
(iii) Audited Accounts of the Company for the last two years.
(iv) Audited Accounts of the subsidiaries of T & W for their last two accounting periods.
(v) Draft Trust Deed constituting the 8 Percent Convertible Unsecured Loan Stock 1974.
(vi) The Report of Arthur Young McLaughlin Morris & Co. together with their Statements of Adjustments.
(vii) The accounts of Dunlop, Heywood & Co.
(viii) The comments referred to in 8 above.
(ix) The documents referred to in 9 above.

DATED 24th October, 1972.



When Columbus landed at San Salvador Island, Bahamas, on that historic day—October 12th, 1492—he discovered that the island was inhabited by Arawaks, whom he called Indians. Arawak Trust Company Limited, one of the first trust companies in the Bahamas, was named after them and the company adopted as its symbol the three arrows you see below. We chose these arrows because we feel that they symbolize the progressiveness of the Bahamas and Arawak Trust Company Limited.

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THE BANK OF NOVA SCOTIA TRUST COMPANY OF JAMAICA LIMITED

P.O. Box 637, Kingston, Jamaica
and—P.O. Box 311, Montego Bay, Jamaica.

THE BANK OF NOVA SCOTIA TRUST COMPANY OF THE WEST INDIES LIMITED

P.O. Box 384, Port of Spain, Trinidad.

THE BANK OF NOVA SCOTIA TRUST COMPANY (CAYMAN) LIMITED

P.O. Box 501, Grand Cayman, Cayman Islands.

THE BANK OF NOVA SCOTIA TRUST COMPANY (CARIBBEAN) LIMITED

P.O. Box 10038, Bridgetown, Barbados
and—P.O. Box 424, Road Town, Tortola, B.V.I.

BAHAMAS

FINANCIAL TIMES SURVEY

The fall from favour

By NICHOLAS COLCHESTER

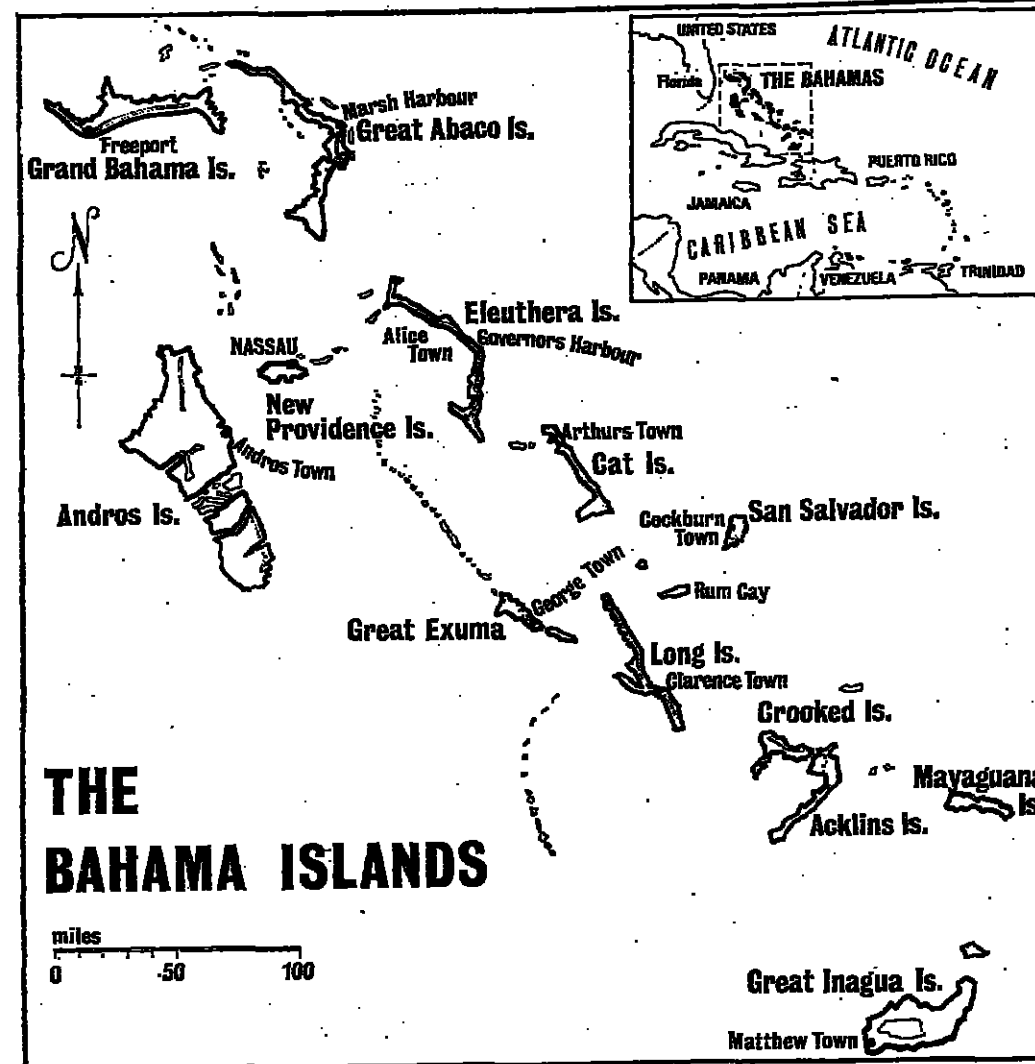
The Bahamas are currently suffering a downturn in their fortunes that was inevitable following the boom period of the late 1960s. Three years ago the whole world was proud to be these islands' patron. The rich and famous glamorised Nassau and in a world investment spree a plot of Bahamian real estate carried the same aura as stock in the hottest conglomerate. Nassau became the world's smartest tax haven. Then the boom ended: those of the international set whose fortunes had remained intact took themselves elsewhere—for they are fickle in their haunts—and what the withdrawal of this glittering tide revealed was an inexperienced Black government trying to assert itself, hoping to create the civil service machinery and develop the diversified economy that it felt was necessary for independence from Britain.

Mr. Lynden Pindling, the Prime Minister, is determined to cut the final ties with Britain by the end of 1973, and this sets a pace that stretches the islands' resources and perhaps even hampers the give and take that is a part of democracy. The ruling Progressive Liberal Party needs capital in prodigious quantities to improve the quality of education, to bring the different parts of the scattered Archipelago together and extend the relative prosperity of New Providence to the outer fringes. It also needs private capital to provide the projects to keep Bahamians employed, and tourist spending to provide tax revenues. But the eyes of those around the world on whom the Bahamas rely for their capital, their tax revenue and their gross national product, are narrowed with mistrust.

Main effect

To the Bahamian the slump has brought the first taste of unemployment since he was subjected to the Bahamas' sudden prosperity. This unemployment has had its main effect on the lower paid worker who forms the backbone of the hotel staffs or of the now woefully dormant construction industry. It may well have caused more localised pain than the unofficial and extremely suspect unemployment figure of 8 per cent. indicates. This is because the fragmented nature of the Bahamas, a series of islands separated by hundreds of miles of sea, ensures a poor level of labour mobility.

The exact effect of the 1970-71 downturn on the finances of the Bahamian Government is unfortunately hard to gauge since the Finance Minister, Mr. Carlton Francis, has yet to produce audited expenditure and revenue figures for 1970. He has, however, indicated to an assembly that the revenues for last year are expected to have



THE BAHAMA ISLANDS

BASIC STATISTICS

Land Area 5,382 square miles
(700 islands, 30 inhabited)

Population 169,000

Currency: A Bahamian dollar equals a U.S. dollar and is therefore floating against the pound.

TRADE (1970)

Imports	£140.4m.
Exports	£ 37.3m.
Imports from U.K.	£ 11.1m.
Exports to U.K.	£ 2.8m.

been some \$13m. short of the budgeted level of \$97m. Expenditure was apparently trimmed to match, although how this was achieved has not yet been revealed.

The main cause of the revenue shortfall was the drop in import tax revenues that normally account for about 60 per cent. of the Government's total take. This was, in turn, due to the slump in the Bahamas dominant industry—tourism. The number of visitors to the islands dropped only slightly in 1970—something over 2 per cent.—but their spending dropped by a much greater amount from \$235m. to \$220m. The reasons for this anomaly are explained elsewhere in this survey.

Considering the revenue prob-

lems that it encountered last year, the Finance Ministry embarked upon a very ambitious budget for 1971. Total anticipated spending for the current year was raised by 25 per cent. to \$106m. in the apparent hope that the Government could raise an equivalent amount in tax. With three-quarters of the year now past it does not look as though tourist spending is going to show a dramatic rebound this year, even though the flow of visitors has far exceeded the forecasts made by the pessimists in the early stages. The Government is thus faced with another revenue shortage and recently faced up to this by raising the tax on oil, cigarettes and gambling. This still does not look like solving the problem and the Prime Minister says that he has got other tax measures up his sleeve, although he has consistently promised that these will not include income or corporation tax.

One tax source that is apparently yielding only a fraction of its potential is the annual levy on developed properties. This is set at 0.5 per cent. of market value (less a concession). So far it has only been raised in New Providence, and it seems that it will now be extended to the Out Islands. The breakdown of the main sources of Government revenue and spending are set out in the table. One of the fastest growing areas of spending has been education, which is due to receive \$30m. this year or 18 per cent. of the budget as well as an equally lavish capital expenditure of almost one-sixth of the 1971 development account. Education is one area where the PLP is thought to have done well, particularly in contrast to the efforts of the old UBP. There is no better place that the Government can put its money, for labour, and especially skilled labour, is the country's scarcest resource, temporary unemployment notwithstanding. In Nassau there is a complete international finance centre waiting to become progressively Bahamianised. The sea is waiting to be methodically fished and hides considerable mineral wealth. Agriculture shows some potential. But most important of all, nothing can take the climate and the beaches away from the Bahamas, and the aim must be to train hotel managers to offer these natural assets

suddenly lifted from \$8m. to \$15m. The atmosphere of crisis was reinforced around mid-summer by reports that the Bahama Oil Refining Company, based in Freeport on Grand Bahama, had lent the Government \$1m. and that the Freeport casinos had pitched in as well \$2m. of advanced taxes.

It was against this murky background, unclarified by any official explanation by the Government, that Mr. Pindling told the bankers that he wanted them to "get down off the fence and pitch in," give the Bahamians would be hotel owner the same consideration that a Chicagoan would get and take the lead in developing the Bahamas' fishing resources. "One cannot help but wonder sometimes," said Mr. Pindling, "how many bankers are really concerned with the Bahamas, and how many consider it a financial conduit through which money can be passed for profit."

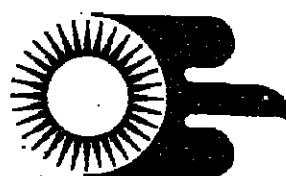
The Prime Minister has a point; despite the tacit contribution that the Nassau financial community makes to the Bahamian economy, simply by being there, paying company taxes and import tariffs, and supplying employment, and despite the contribution to Bahamian business by the clearing banks (particularly the Royal Bank of Canada), most bankers admit that they probably reap more than they sow in the mild tax climate of Nassau.

But Mr. Pindling also begs a criticism. Any bank is going to be reluctant to lend money to a Government that nine months into 1971 has still not made its report and accounts for 1970 available. These accounts must be laid out the promised Five-Year Plan must be produced, the new blueprint for the fishing industry must be drawn up, the Government debt position must be made clear. By getting its accounting and its projections up to date the Government will help crystallise the rather vague and splendid prospect for the Bahamas into something worthy of investment. The days when the Bahamian part-time Government and the financial establishment were one and the same are now over. The two have become estranged, financial professionals dealing with politicians; and the degree of co-operation can only be as great as the flow of information between the two.

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The Financial Times Wednesday October 27 1971

BAHAMAS II

Delicate balance of political forces

NICHOLAS COLCHESTER

Recently a New York industrialist rang up the Bahamian Prime Minister, Mr. Lynden Pindling, and told him that his Board was furious about the poor results of their company's Bahamian operation. The industrialist ascribed these to Mr. Pindling's policies. The Prime Minister replied that his policies were for his own shareholders and that his shareholders were the people of the Bahamas.

This Pindlingesque parable, told recently by the Prime Minister at a rather tense bankers' dinner, illustrates just one of the gates in the political Balom that Mr. Pindling has to run, threatening between the interests of nicely established whites, newly established blacks, would-be established blacks, colonial whites, emotional blacks, and far away investors who have poured enormous sums into the Bahama's shiny holiday and fiscal climate. Mr. Pindling chooses to negotiate this course at full speed, with two lieutenants, Mr. Carl Francis, the Finance Minister, and Mr. Arthur Hanna, Minister of Home Affairs, who complete a peculiarly unmanageable triad. All three are accomplished politicians; all are apt to fling out explosive phrases that leaves an atmosphere of recklessness in their wake.

This thickened by some spectacular bankruptcies and a highly hostile Press, has tended to bring a political transformation that has taken place in the Bahamas with remarkable smoothness. Without a riot, in only one major political upheaval and in the space of six years, the transition has been made from a white colonial part-time Government to a wholly black democratic government with a well-developed, if still somewhat erratic, civil service machine.

Final ties

Mr. Pindling seems determined to preserve the momentum of this change despite cries of consolidation from both black and white, and despite a largely cyclical downturn in the country's fortunes. He is gunning for independence from within without delay. A fortnight ago he told the annual convention of his ruling Progressive Liberal Party that the Bahamas would aim to cut its ties with the mother country not later than 1973 and that would go to the polls for a general election on the issue. Barring a major scandal in a political arena that is forever beset with minor charges of embezzlement and political shuffling, and so long as the Government survives some short-term financial problems, it seems that the PLP will sail



Prime Minister Pindling.

through the independence phase without much hindrance. The opposition to the Pindling party is in a state of disarray. The effective opposition is the United Bahamian Party, which has seven members in the house of the assembly out of a total of 38, and is the remnant of the old Government that was so firmly routed by the PLP at the last election in 1968. The UBP's strength lies in the Out Islands of the Bahamas, where the new prosperity has yet to permeate and where the old loyalties are slow to drain away. Its weakness is that it is a white man's party in a country that is 85 per cent black. Five out of its seven members are white, and it must now be too late for the UBP to try and create a seemingly unprejudiced "mixed colour" party with conservative leanings, such as currently rules the roost in Bermuda.

The official opposition is now the eight-strong Free PLP, a group of politicians including four former cabinet ministers which broke away from the Pindling party a year ago. The formation of the Free PLP was the most serious crisis that the present Government has had to weather in its term of office. Spurred by the belief that Mr. Pindling was showing autocratic tendencies in his handling of the country's affairs and that this handling was largely responsible for a decline in tourists and a disenchantment with the Bahamas among international investors, Mr. Cecil Wallace-Whitfield, the (then) Minister of Education, shattered

the PLP's solidarity at its 1970 convention by airing all his fears and tendering his resignation. The convention ended in uproar and was followed by a vote of no confidence in the Government, in which eight PLP members voted against Mr. Pindling, narrowing his margin to 19-15. The eight, at first suspended and now expelled from their party, formed the new official opposition.

Lone voice

The result of this mid-term switch in the official opposition party was a constitutional fiasco in the Bahamian Senate where the Free PLP now has inadequate representation. The Senate is 16 strong, with a controlling block of nine members appointed by the Prime Minister, four appointed by the opposition party, and three by the Governor, Lord Thurlow. The four opposition members are currently UBP men and cannot be removed until there is a general election. One of the Governor's choices has decided to represent the Free PLP in the upper house, but he is a lone voice.

The Senate situation has, to some extent, lessened the effectiveness of the challenge to the PLP but is of small consequence when compared with the way that the opposition in the lower house has now been virtually emasculated. The Free PLP has free them from the influence of the acutely difficult task of persuading the black population that its heart is with the PLP islands towards their independence as it strives towards black

nationhood, but that it rationally favours the more conservative approach advocated by the White UBP. Because the Free PLP stoutly maintains that it is the authentic version of the party that is actually in power, a liaison between itself and the UBP seems extremely unlikely. To break away at all was an act that left the Free PLP with a clinging taint of treason; to associate itself overtly with the UBP would destroy any lingering credibility that the party might have with the black electorate. So the best that the two oppositions seem to be hoping for in the 1973 election is an outcome that will leave no party with an overall majority.

Unknown quantity

All this assumes, however, that the power structure at the top of the PLP is immutable. A lot of speculation is heard about the relationship between the Prime Minister and his deputy, the Minister of Home Affairs, Mr. Arthur Hanna. Who runs whom? To what extent does Mr. Hanna inject radical tendencies into Mr. Pindling's decisions? Mr. Pindling remains a fixed star for a large number of black Bahamians. He is a clever man and orator, a London-trained lawyer from a simple Bahamian background who has risen quickly to power. It must have been very largely his skill and drive as a politician that moved the PLP so forcefully and so smoothly into Government. Yet to the outside world Mr. Pindling remains something of a political chameleon and an unknown quantity. What is the measure of his aspiration? Is he ready to accept criticism from within his own party as to the way that the Bahamas should be run? He would like to see Bahamians appointed to senior positions in the private sector, and yet he has left the posts of Health and Education Minister unfilled within his own Cabinet—a concentration of authority that is open to various interpretations.

At the moment he is doing the best to reassure Nassau's financiers that they are welcome, but behind him lurks Mr. Hanna, whose Ministry's handling of the Freeport immigration clampdown did more than anything else to muddy the Bahamas in the eyes of the financial world. Behind him, too, is Mr. Carlton Francis, a man of deep emotions, who exactly a year ago announced that he would be happy to see the Bahamas reverting to a nation of fishing villages if that would free them from the influence of the outside investors. So it is an unpredictable trio that leads the islands towards their independence as it strives towards black

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Good prospects for the cautious property buyer

A Correspondent

the wisdom of retro- it is difficult to see how Bahama real estate boom off the ground in quite the it did. Once the concept taken root of developing parts of the Bahamas a residential paradise every house is but a throw away from a township golf course, a bliss set of tennis courts, a Bahamian waterfront, it have been clear that the ideal for continuing development was almost limitless. In the past five years investors all over the world have poured over \$500m into Bahama property and have scratched the surface of place. A tour round the reveals a buyer's mar- within the existing projects, ignoring the countless of coastline that have not fit the surveyor's rod. are now estimated to 500 lots for sale on exist- Bahamian developments. Nassau, one-quarter of the ble office space is empty. and apartment rents are 1 cent. below the highs late 'sixties, and yields of condominiums are now what a plot hunter might examine is Treasure Cay—a development involving Morgan Grenfell, Lazards and Guinness is all are sweeping Mahon and controlled by the Deltec Banking Corporation. Treasure Cay is on Abaco, a vast, straggling "out island" in the northeast corner of the Bahamas. The Cay is a slender promontory on the Atlantic side. It has just two assets that distinguish it from the rest of Bahama: a very unlovely land mass. It has a beach that is a three-mile semicircle of white sand, and it has a "lens" of fresh water—

a natural catchment area and storage tank for the infrequent rain. These two features have merited the expenditure of \$20m. to improve an airstrip, undertake some ambitious land reclamation, lay a maze of utility lines, and, of course, build an extremely fine 18-hole golf course with imported greens. So far the Treasure Cay company has sold 900 acres out of a total of 1,400. Another land reclamation project will yield a further 350 acres of land and some idea of the potential profit of the exercise can be gleaned from the fact that the costs of preparing these extra acres will be \$5m. whereas the expected sale value will be \$20m. The key word here is "potential", although widely considered one of the better Bahamian developments Treasure Cay has been through a harrowing year of sales, with revenues in some months threatening to fall below the running costs and the debt servicing charge. This is where the merchant banking background has been invaluable in making sure that the local financial controller keeps a tight rein on his costs which, in a project of this type, can run wild.

Sound backing

Such developments undoubtedly still exist in the Bahamas. They are the projects with very sound financial backing involving some blue chip names. They will have already achieved a good measure of sales and construction and are thus showing every sign of marketability in the future. They will also be projects where there are solid limits to their geographical spread (because they are on a spit or headland for instance) and will not be forever spreading their frayed edges in the future. One project that is of interest to English investors and will serve as an example of what a plot hunter might examine is Treasure Cay—a development involving Morgan Grenfell, Lazards and Guinness is all are sweeping Mahon and controlled by the Deltec Banking Corporation. Treasure Cay is on Abaco, a vast, straggling "out island" in the northeast corner of the Bahamas. The Cay is a slender promontory on the Atlantic side. It has just two assets that distinguish it from the rest of Bahama: a very unlovely land mass. It has a beach that is a three-mile semicircle of white sand, and it has a "lens" of fresh water—

for half an acre, and perhaps pattern for the future.

Despite the slump in real estate sales, it must be recorded that giant corporations are still coming up with plans for new resorts like the \$42m. complex planned for Great Exuma by Bahama Incorporated and Hyatt International. But the chances are that the days when groups of bankers were able to proceed as an independent group with projects like Treasure Cay are now over. In future, it seems, the Bahamian Government will only be making the Bahamas's enormous expanses of Crown Land available through its own Government Development Corporation. This corporation will take a sizeable equity stake in any scheme and contribute land by way of co-capital. Earlier this year North American Rockwell announced a joint deal with the Government to build a multi-million-dollar resort on Bimini. The terms have not yet been settled, but this liaison could well set the

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BAHAMAS III

Immigration policy meets with opposition

By NICKI KELLY, Bahamas Correspondent

Never before have so many quotas, numerical limitations or educational and employment barriers, is still more liberal than that practised by Britain, the U.S., Canada, Switzerland or Australia.

In early 1970 the Government was accused of a breach of faith in abrogating the immigration concessions which permitted foreign investors to bring in skilled personnel to Freeport without a work permit. The immigration changes were intended to convince investors that they must Bahamianize their operating staff, but the ensuing loss of confidence led to a large-scale flight of capital and damaging publicity in the international Press.

The U.S. recession cannot be ruled out as a contributory factor in the slowdown of investment capital to this tax haven, but the principal factor is now generally acknowledged to be the tightly controlled immigration policy, which has been pursued since 1968.

This policy is the result of two major considerations—a late blooming nationalism and the prospect of early independence. Until 1967 the Bahamas enjoyed full employment, but jobs in the upper administrative and executive levels of private business were still closed to Bahamians. The Progressive Liberal Party has been committed from its formation to inducing employers to train Bahamians for these positions. Earlier this year the FLP made the further commitment that it would seek independence as no later than 1973. With 15.5 per cent of the 169,000 population acknowledged to be foreign, the Government is understandably concerned that Bahamian nationals be at the helm economically as well as politically during the period of transition.

Royal Commission

A year ago, in an effort to clear the Government's reputation, the Prime Minister named a four-man Royal Commission to review the development of Freeport and make recommendations in the light of social and economic changes. But the administration and its critics have accepted the report as being both fair and just, but for different reasons. The Government interpreted it as a vindication of its stand that the Freeport area, as a part of the island of Grand Bahama, had to be governed under the same laws as the rest of the Bahamas for matters of security.

New pressures

In recent months this has led to new pressures in the already sensitive and highly vulnerable area of immigration, setting off a backlash that has been felt in every area of the economy. Foreign firms, unable to get approval for staff, have retrenched or pulled out altogether. Construction, which used to absorb 6,000 men, is at a virtual standstill and unemployment, once non-existent, is now estimated at well over 10 per cent of the 70,000 working force and rising daily.

The Prime Minister himself has made no secret of the fact that there is unemployment, that the balance of payments position is not as good as it used to be, and that there is a need to realise the economy. Nor does he challenge the fact of 1968, slumped \$19m. by the Government's stand on the matter of immigration at Freeport, Grand Bahama, but insists that the policy adopted by the Bahamas, where there are no



A classroom in the village school at Great Harbour Cay.

dents are unoccupied houses and apartments, for which there are no buyers.

The unemployment crisis stemming from the Freeport episode was aggravated in late 1970 by the collapse of the 35 year old Bahamas Airways, following another alleged breach of faith by the Government in the matter of route priority for the airline.

The BAL closure only served to accentuate the already uneasy feeling among investors concerning the administration's attitude towards foreign-owned institutions, and was immediately reflected in a further slowdown of investor capital to the Bahamas. By the end of 1970 the volume of building construction in Nassau was down \$6.6m.

Four months ago, as part of a Government effort to "revitalise and strengthen" the economy, Home Affairs Minister Arthur Hanna, who also holds the portfolio for immigration, announced that the recommendation of the Freeport Commission would be acted upon and a work permit policy of up to five years introduced for key executive staff.

It was made clear at the same time, however, that no person recruited from abroad could expect to remain in the country of licence fees, salaries, rents, allowances, etc. Now, however, it is concerned that these institutions are not doing enough to

the impasse or that it can be resolved to the Government's advantage. There is already evidence that much of the trust business that would have come to the Bahamas has gone to the Cayman Islands, where several important groups—registered associated companies when the FLP swept to power in 1967.

The tax haven framework for the Caymans was patterned after the Bahamas Banks and Trust Companies Act. Since 1963 some 2,000 firms have registered, nearly 500 of them last year when the Bahamas Government was pressing its right to control immigration at Freeport. In the Bahamas meanwhile, 861 companies were struck off the Register during the first six months of this year, while only 675 had been formed up to the end of August.

The situation has not been helped by an international currency crisis which has forced the Bahamas Monetary Authority to introduce exchange control restrictions on sterling to stop the pressure against the Bahamian dollar. Investors bankers have no doubt that the move will be a strong deterrent to U.K. investors, who must now get "approved status" before hand if they wish at some late date to repatriate their money.

With British and American investments beginning to dry up, Prime Minister Pindling made a flying visit to Ottawa, Montreal and Toronto in September to tell political, business banking and financial leaders that "there is need, and there is room for further Canadian involvement in the Bahamas." Later this year he plans to go to Europe on the same mission.

Not altered

The Government's position on development participation has not altered, however. Mr. Pindling told his Canadian listener that, while the Bahamas encouraged and warmly welcome foreign investment, it is seeking "corporate investors with a social conscience who understand the needs of emerging countries and are responsive to people as well as profits." It made it clear that there must be both Bahamian participation in new enterprises and the training of Bahamians for supervisor and managerial roles.

Although not minimising the importance of direct foreign investment in maintaining a favourable balance of payment position and providing additional capital to sustain the present growth, the Government also believes that the Bahamas, like the Caribbean has been the object of exploitation by the foreign investor.

The country's dilemma in the next two years will be the extent to which nationalism as cash need can be reconciled to an economy almost totally dependent on foreign capital for its survival.

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Rough road for tourist industry

By NICKI KELLY

For a country which was expected to experience an enormous tourist decline in 1971, the Bahamas's record-breaking receipts for the first nine months represents a complete contradiction assessed in terms of present Caribbean trends. This prediction was made by the influential American publication "Travel Trade", which also foresaw an upsurge in tourist volume for the islands to the south.

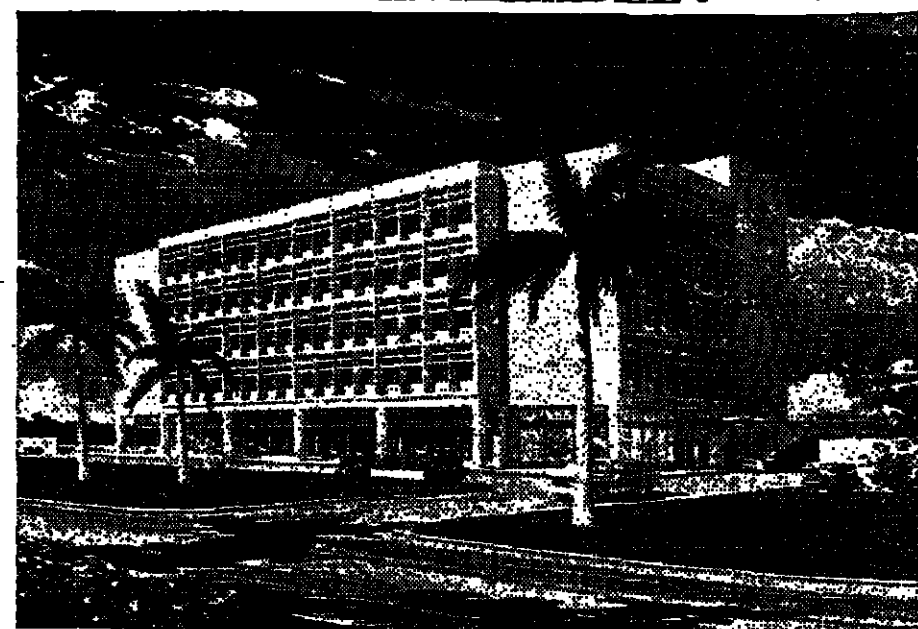
But while the Bahamas passed the millionth tourist mark in August, to chalk up 1,137,141 visitors by the end of September, some of its Caribbean competitors were running as much as 15 per cent below last year's totals and were deeply concerned about the possible effects next summer of a transatlantic air fare war which threatens them with cut-throat competition. With 1,450,000 arrivals expected by the end of the year, Bahamas tourist representatives have good reason to feel optimistic about the prospects for 1972.

Parity value

Air fares are being maintained at \$100 below the New York to Europe round-trip, and the Government's decision to retain the parity value of the Bahamian and U.S. dollar is certain to be a major psychological and financial inducement for U.S. visitors. Additionally, more Europeans are discovering that a vacation in the Bahamas need be no more more expensive than one in Spain, and a great deal less crowded.

In 1970, after experiencing the highest tourist growth rate of any island resort in the world, the Bahamas was hit by both the U.S. recession and by a spate of negative publicity which criticised the high hotel prices, poor service and the generally hostile attitude of those in the business of serving the tourist. Peak winter season bookings fell 20 to 25 per cent below the previous year, shock-

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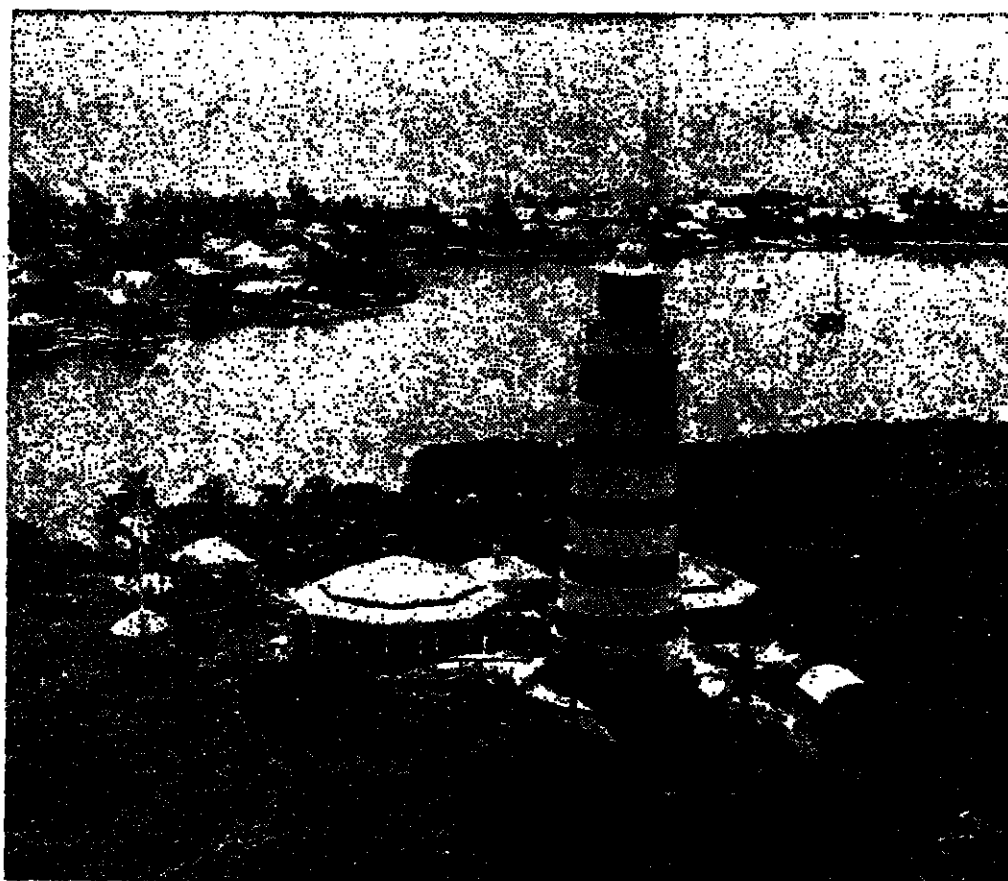
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BAHAMAS IV



Above: The aspects of an undersea reef being explained by hand signals to a party of tourists during an ocean walk. Right: Hope Town, Abaco.



Islands with two flavours

By NICHOLAS COLCHESTER

"Are you big enough for a sheet of turquoise glass laid over a desert landscape, jade August, tinged with wet in the used to ask, and an intimidating green in the shallows and cobalt autumn when pillars of rain woman rocketed out of the sea in the deeper places but so clear sweep in from the sea. During with a game fish impaled. If that shades of the sea bottom remains beyond reproach. The English winter the weather seem always visible. The land The most natural and the cheapest pastime is lazing on must choose how you will try the beach. To go skin diving you will either have to join a party, typically £3 for a five-hour expedition, or hire a boat for perhaps £15 for a full day in an uncomplicated machine. The object is to moor your boat above the offshore reefs and then get some very satisfying diving. If you are more of an enthusiast a go with an aqua-lung will cost you £5, or £7 if you are a complete novice. Water skiing is £2 a ride. Golf on the 18-hole courses on New Providence costs £8 (including an obligatory golf cart). On the Bahamas, the blurring ribbons of white sand bounded on the landward side by the shade of palm and casuarina trees and on the other by water that is warm to the first touch and seduces the swimmer into its deeper coolness.

Natural assets

The attraction of the Bahamas does not lie in what people have built but in what they have left untouched. It is a place on a single plane, for the plane of the sea is the plane of the land. These islands are for gently a fire or take a few feet. The physical holidays. The tempera- ture is perfect for most of the

nervous American women are seen clinging on to serious-looking men wrestling with the kick change and trying to stay on the left-hand side of the road at the same time. Motor-cars are available at £8 a day.

Expensive hotels

All this minor spending will be reduced to total insignificance by the hotel bill, which is likely to be between £15 and £30 a day and up to £25 a day in the peak season. The British visitor must come primed with the knowledge that his accommodation will be very American. His room will be a refrigerator for two, his toothbrush will be sanitised, his bill will be a check, and his French dressing will be the pink concoction that he normally associates with prawn cocktail. The Bahamas live by their American visitors. Miami is only a hop across the water and the shops of Nassau have the same attraction to Americans that Marks and Spencer has for the French.

Of course, Nassau retains the evidence of the years of British rule. There is Government House, there are forts, there are staircases and archways carved by slaves out of the limestone hill that lifts Nassau away from the waterfront. But all these are dishied up with lashings of instant atmosphere. The tourist is dug in the ribs with history. Reminded that the ghost of Blackbeard the pirate is still here, striding between the intangible treasures of the Bay Street banks, sacking the Kentucky fried chicken stall and cleaving an instant cheeseburger with his mighty scimitar. The Fort Charlotte son et lumiere is the epitome of instant history. There, in the words of the brochure, "You hear Blackbeard, you discover America with Christopher Columbus, and in 55 minutes you do four and a-half centuries sitting down. Its all done electronically, with computers." The visitor should also cross

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Tourism

—(Cont'd.)

Continued from previous page
2.6 per cent, air travel fell by 5.6 per cent, due largely to the shutdown in October of Bahamas Airways, which had serviced the heavily travelled Miami-Nassau route and the Out Islands.

Tourist spending, which relies heavily on the longer-stay air-traveller, showed a commensurate decline of 15 per cent to \$220m, as did Government revenue, which dropped to \$44m. Length of stay by air visitors also followed the pattern by falling to an average of 5.3 days.

Butressed as it was by staff layoffs, 1970's diminishing returns had a positive effect on the industry as a whole, bringing Government hoteliers and the public together for the first time in a joint effort to reverse the trend. The result was the Bahamas Goobay summer festival, which successfully pushed the doldrum months of July and August to record levels through a wide variety of group inclusive tours. Air arrivals in July rose 6.3 per cent over the same month last year, and August arrivals were up by 9.9 per cent.

Goombay, built around the hospitality theme of "Company is coming this summer," featured a series of visitor-participation activities running from mid-June to mid-September. From all accounts it has proved the turning point and will be repeated and extended next year. While length of stay for the first four months of the year was generally below that of 1970, it rose again during the summer.

Numerically, the Bahamas expects to register a 12.3 per cent increase over 1970. Air traffic is up 34 per cent for the first nine months, which may bring it back to the 1969 level by the end of the year.

If there is one fly in the honey-pot, it is one with which all resorts must learn to live—that while more people are travelling, they are spending less and staying for shorter periods. Although there are no final figures yet available, a reasonable guess is that, while visitor totals to the Bahamas will be up 63 per cent of Government's revenue, must come from tourism.

There is, however, one hopeful sign for the future in the number of West European and U.K. visitors now being attracted by the lower air fares and more realistic hotel prices. According to official statistics, almost 22 per cent, this year.

West European arrivals during the first eight months totalled 20,243, and were up by 32.3 per cent over 1970, with Germany (8,400); France (3,475) and Belgium (2,066), leading the field. U.K. visitors in the same period were up 9.4 per cent, totalling 13,062.

While these figures represent less than 5 per cent of the total visitors they are indicative of a shifting emphasis in the trade. For the past five years the ratio has been roughly 87 per cent from the U.S., 4.5 per cent from Canada, 2 per cent from Europe and 1.5 per cent from the U.K. This year Canadian visitors were expected to represent closer to 6 per cent, those from Britain and Europe some 5 per cent, and those from the U.S. about 85 per cent. The advantage of the European and U.K. traveller is his length of stay, estimated at 10 days or twice as long as that of the visitor from North America.

A prime factor in the drive for European business has been the presence of a three-year-old non-IATA airline called International Air Bahama, which operates a scheduled service between Nassau and Luxembourg.

A subsidiary of Icelandic Airlines, IAB began pulling in Europeans while Americans were still running shy after the rash of stories about poor service and high prices. In 1970 Air Bahama's 11,138 Nassau-bound passengers spent almost \$5m in the Bahamas. This year's arrivals for the first four months came to over 9,000.

But even with the prospect of the untapped European market ahead, the Bahamas tourist industry still has a rough road to travel in terms of revenue needs over the next three years. According to a Government-sponsored survey, the country must double its 1969 visitor total to 2,857,000 by 1974 or be in for serious difficulties. The report estimates that the requirements of the Bahamian people will increase by \$315m, over that time, and projects that nearly \$200m, or 63 per cent of Government's revenue, must come from tourism.

Of this \$315m, \$225m, more will be needed for "bricks and mortar" projects such as new schools, hospitals, roads, water-works, etc., and \$90m, more for the salaries of doctors, teachers, police and the social services. This is a tall order, and no one is willing to make any bets at this stage.

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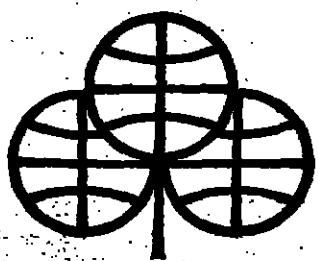
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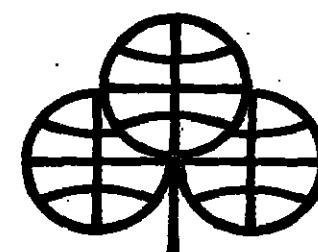
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BAHAMAS V

Compact centre for finance

By NICHOLAS COLCHESTER

Nassau has been physically over-run by the finance industry. The plate glass windows of rows of prestigious banks and trust companies reflect streams of uninterested tourists. The entrance halls of the office buildings sport the names of a thousand financial vehicles. Somewhere you will find the name-plate of just about every blue chip chartered accountant on either side of the Atlantic. Up the back streets, in discreet doorways, you will find an army of attorneys. It is a uniquely compact centre of world finance.

According to Government statistics there are now 6,500 finance or financial service companies incorporated in the Bahamas. They account for 50 per cent. of the country's authorised capital. Company registrations of all kinds rose from a rate of 1,200 a year in 1965 to 2,300 in 1969. In 1970 the figure fell back to 1,000.

Second industry

Finance remains the Bahamas' second industry. In figure terms it is a poor second; its contribution to the economy has been reckoned to be about \$25m. a year compared with the \$220m. they spent last year by the tourists. It is an industry that is sustained at an opportunity cost: it steers the Government away from income and corporation tax to the less equitable alternative of an import levy. But it is a windfall source of diversification that the Government cannot afford to ignore. It is a source of influence and prestige, in the same way that finance is to Switzerland, and it supplies a type of sophisticated employment for Bahamians that the islands would be hard put to generate in any other way.

The industry developed very fast during the 1960s. By the end of 1970 there were 151 banks authorised to do business with anybody and 12 trust companies with similarly unrestricted licences. In addition, Freeport on Grand Bahama had 46 banks and 44 Island over trusts licensed to do specific

business with specific clients. This entire welter of finance companies exists on an island with the same population as the city of Oxford.

The Bahamas' attractions as a finance centre are extensive. Nassau is very close to the U.S. It is in the same time zone as the U.S. corporate treasurers and bankers in New York. Communications are fairly good. Most important of all, there is no corporation tax, income tax, estate duty, capital gains tax or withholding tax. There is a small company tax and some stamp duty. Banks, trusts and insurance companies have to pay fees. The maximum annual fee for an insurance company is \$3,000, while for a bank or trust company it is \$10,000. There are no double taxation agreements. Another quantifiable debit is the unwillingness of the Bahamian Government to allow exempt companies—companies which are guaranteed freedom from taxes for a period from their incorporation. Both the Cayman Islands and Bermuda offer this guarantee, and it gives more reassurance than the ceaseless reiteration by Bahamian politicians that they are not contemplating income or corporation tax.

All in all the fiscal climate is attractive, but in recent years the name of Nassau as a centre of finance has become besmeared. Last October Gramco, an international investment company based in the Bahamas, announced that it would stop redeeming shares in its USIF real estate fund. This, compounding the troubles of IOS, was a major blow to confidence in the fund industry, and it rubbed off rather unjustifiably on the Bahamas. It coincided with a bad year for Bahamian tourism, the collapse of the major Bahamian airline and an argument between the Government and the businesses that had become established at Freeport on Grand Bahama over the Government's right to impose

immigration control in that area. All this created much local bitterness, which was, in turn, broadcast in such a way that in the minds of the uninformed, Nassau became synonymous with "Black Power," "Cosa Nostra," and every form of financial shadiness.

Visas problem

Most of this was unfounded, and is now definitely outdated. The only problem that does continue to bother the Nassau financial community is the problem of immigration visas, which, as another article in this survey explains, the Government is controlling fairly tightly in an effort to make sure that Bahamians are hired and trained in the intricacies of finance themselves. This policy involves the finance companies in a round of explanations, justifications, and appeals whenever they feel they need to bring in able financiers from abroad. It makes life particularly uncertain for the small operation and it is resented by the trust companies which sell themselves very much on their professionalism. The banks, however, appear to be happier with the situation. Particularly in the case of the major international banks like Barclays and First National City Bank, it is now very much a part of policy to be flexible and accommodating in the face of nationalistic sentiments, and in this respect the attitude of the Bahamian Government is one that is found in many other places around the world.

In fact, despite the rise in fashionability of other tax havens like the Caymans, most companies with serious operations in the Bahamas appear to be satisfied with the place. The Government and the Bahamas Monetary Authority are constantly improving the system of vetting businesses that are allowed to set up in Nassau, and one is assured that the shady banks and trusts that undoubtedly existed on Bay Street in the late-1960s are no longer in evidence. The Bahamas Monetary Authority is universally praised. It is the beginning of the Central Bank that is a prerequisite of independence, and in its willingness to talk to the financiers it seems to provide a most useful liaison between the finance industry and Government. This happy relationship meant that much of the trauma was taken out of the BMA's recent action in subjecting sterling to the same exchange control regulation as other non-Bahamian currencies. The BMA took this action because the Bahamas were acting as a conduit for speculation against the U.S. dollar in favour of sterling and this was putting a strain on the Bahamian currency reserves. The BMA has promised that this is only a temporary measure. And with this reassurance much of the initial talk of "frozen Bahamian assets" has died away.

Charlotte House which is to accommodate Butler's Bank Ltd. in Nassau.

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Freeport likely to make a gradual recovery

By a Correspondent

No description of the present state of the Bahamas would be complete without a resumé of the development of Freeport, the quasi-independent industrial real estate and resort complex that has transformed the barren island of Grand Bahama. Freeport is really the crux of the Bahamas' present plight. When the Progressive Liberal Party first came to power, Freeport quite plainly represented to them a symbol of white commercial exploitation of the Bahamas and in deciding to "bring it to heel" the Government triggered controversy and bitterness that had a deep effect on the confidence of overseas investors in the Bahamas.

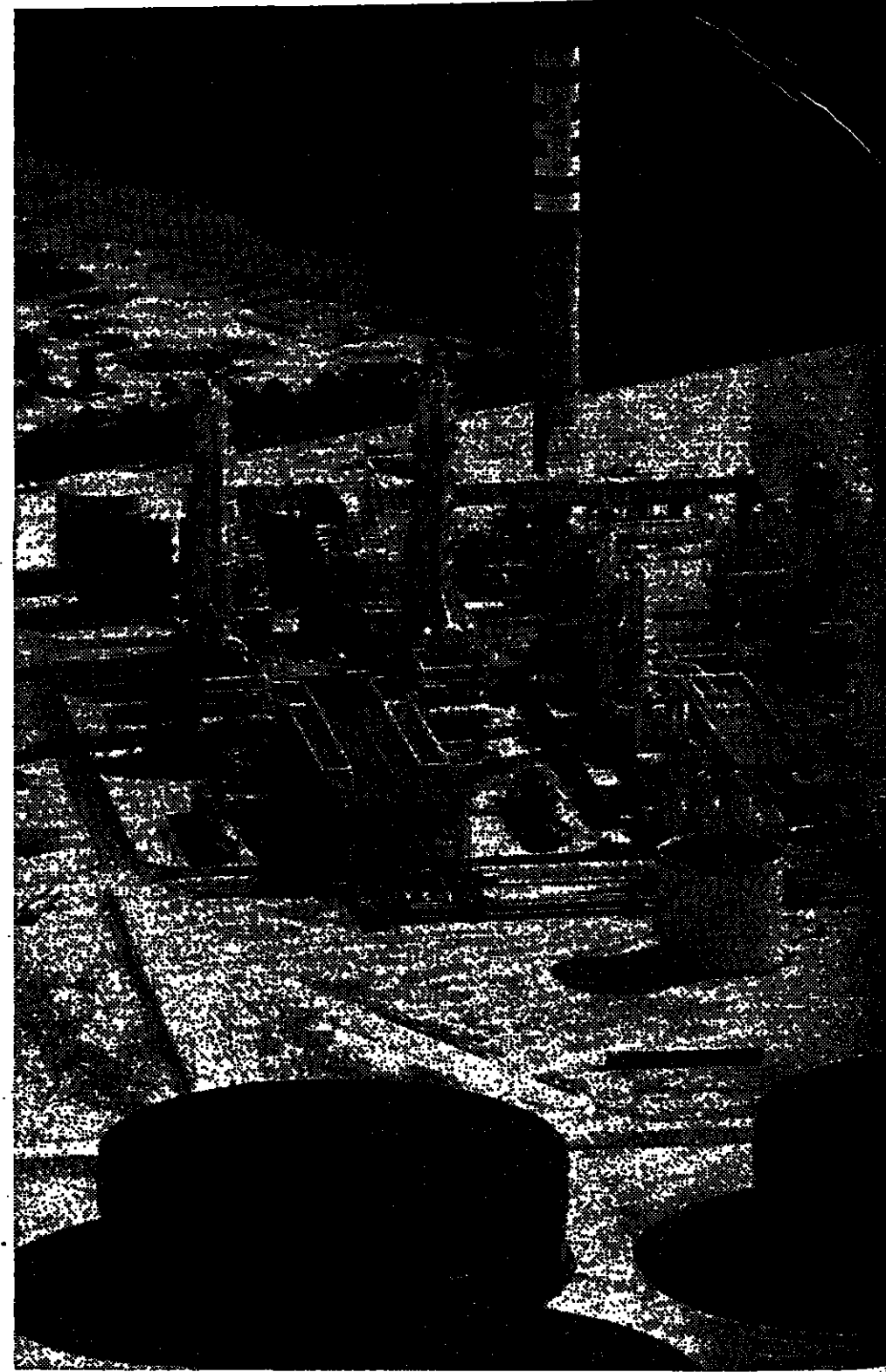
To-day, seeing the sprawl of Freeport and its surrounding estate developments from the air, it is hard to believe that the whole project was the conception of one man less than 20 years ago. During the 1950s Mr. Wallace Groves founded a company called the Grand Bahama Port Authority, whose aim was to establish a port and industrial estate at Hawkehill Creek on Grand Bahama. By 1960, after several years of little activity, Mr. Groves had decided that he needed to attract the tourist to Freeport if it was to be a success. By this time his company owned 138,000 acres on Grand Bahama. He developed the tourist industry, contributing land to a new company called the Grand Bahama Development Company, which with finance from other shareholders, built the first major hotel. In fact the tourist industry proved slow to get off the ground so the project was given a boost by introducing gambling after complicated negotiations with the Bahamas Government. From that moment Freeport took off in a big way: tourism increased by leaps and bounds; the number of hotels on the island rose to 17 by the end of the decade. At the same time an impressive amount of industry moved into Freeport, culminating in 1969 with the opening of an \$80m. oil refinery built by Standard Oil of California and the New England Petroleum Corporation. Meanwhile the development company basked in a real estate boom that saw \$150m. invested in Freeport between 1964 and 1970.

Flash point

The crisis in Freeport began to develop in the early part of 1969 when it became clear that the Pindling Government was intent on vetting the number of immigrants who were allowed into Grand Bahama to work and share in the prosperity that Mr. Groves and hundreds of millions of dollars of foreign capital had created. The flash point occurred at the opening of the oil refinery that summer, when the Prime Minister made what is now called the "bend or break" speech. "In this city," he said, "where, unfortunately, almost anything goes, where promisingly some economic opportunities have come to Bahamians, Bahamians are still nevertheless the victims of an unbending social order which, if it refuses to bend, must now be broken."

After this stiff little lecture, a very complicated and bitter legal argument developed over the rights of Freeporters, and this ended abruptly in February 1970 when the Government passed legislation giving itself unchallengeable control of immigration into Freeport.

As a quid pro quo the Government asked for a royal commission inquiry on the whole



The Bahamas Oil Refining Company's 250,000 barrel a day plant at Freeport. Construction has just started on a large expansion scheme.

affair. This was produced under the direction of Sir Hugh Wooding and it makes fascinating reading. With masterful use of understatement the report agrees with the right of the Bahamas Government to exert a degree of control over immigration into any of the Bahamas islands but paints a devastating picture of the inefficiency with which the Ministry of Home Affairs attempted to exert that control. "No one can doubt," says the report "that the immigration dispute and the course it took have had an adverse effect on the economy, not only of Freeport but of the whole of the commonwealth of the Bahamas Islands."

To-day it gives the impression of a place that is hanging on by the skin of its teeth. The Administration continues to be efficient, the roads are beautifully maintained, the utilities faultlessly supplied. But the population has fallen as businesses have closed down their operation there. The giant real estate developments are scenes of woeful inactivity. In the second quarter of 1971 the value of construction in Freeport fell from \$7m. to \$1.35m. despite the boom it has witnessed and the enormous potential that remains, Freeport looks like making a very gradual recovery.

10 Good Reasons Exporters Should Base In Freeport/Lucaya In the Bahamas



- 1. TAX HAVEN:** The Bahamas is acknowledged as a tax haven. There is a contractual guarantee by the Bahamas Government that in Freeport, at least until 1990, the government will not impose personal income taxes, corporate profits taxes, capital gains taxes or levies on capital, personal or real property or inventory taxes. At least until 2054, no excise or import duties will be levied on equipment or materials used by licensed businesses. Only goods for personal use or consumption are dutiable.
- 2. MARKET PROXIMITY:** Freeport can be your gateway to the Americas. Situated just 110 miles across the Gulf Stream from Miami, Florida, Freeport companies have easy access to the growing markets of the United States, the Bahamas-Caribbean and Latin America. Freeport's location makes it ideal for headquarters for import-export and trans-shipment businesses which want to keep a hand on the pulse of markets in the Western Hemisphere.
- 3. TRANSPORTATION:** Freeport is situated on the edge of the Gulf Stream, one of the main shipping lanes between Europe and the Southeastern United States, the Bahamas-Caribbean and Central and South America. Freeport's modern harbour is served regularly by freight and passenger vessels from throughout the world. Freeport International Airport, a modern jetport, is served by such carriers as BOAC, Pan-Am, Eastern Airlines, Northeast Airlines, Transmeridian Air Cargo Ltd. and many other supplemental and charter airlines, offering fast and efficient movement of passengers and cargo.
- 4. COMMUNICATIONS:** A modern automatic telephone system serves Freeport. Telephone, telegraph and teletype communications through the Bahamas Telecommunications Corp. puts any part of the world just minutes away. A submarine cable connecting West Palm Beach, Florida, to Freeport is to go into operation in 1972, providing further improvement in communications. Postal service is modern and efficient to and from Freeport.
- 5. BONDED CUSTOMS:** Business licensed in Freeport can hold goods in Bonded Customs for trans-shipment or for later use or export. This frees capital for other uses. Modern warehousing is available for goods stored in Freeport.

6. INTERNATIONAL BANKING: A wide range of financial institutions serves the growing needs of the business community and residents of Freeport. Services offered range from full-service commercial banks with world-wide facilities to private and merchant banks and savings institutions.

7. STABLE GOVERNMENT: The Bahamas has a long history of parliamentary government, and its leaders have said on several occasions that the government is committed to the system of Free Enterprise as it is exemplified by the nations of the Free World.

8. UTILITIES: The electrical power system in Freeport is highly dependable with high service standards. Service outages are extremely rare. Total capacity of the system is 120,000 kilowatts—a fivefold increase since 1968—and planning and design of the system provides both reserves and expansion capabilities to meet the growing demands of industry and commerce. Fresh water is available from a natural aquifer which recharges by rainfall averaging more than 50 inches each year. Fresh water resources in Freeport can support a population of more than 250,000 persons.

9. WEATHER AND LIVING AMENITIES: Freeport's weather is subtropical. Temperatures average 70 degrees Fahrenheit in winter and 82 in summer. Freeport is out of the tropical storm trail and has had no major storm damage in many years. The growing resort industry provides many of the amenities for graceful living desired by families of companies locating in Freeport.

10. LABOUR: Bahamians have responded with enthusiasm to employment opportunities offered by development of Freeport. Bahamians, both male and female, respond quickly to opportunities for training which elevates them into skilled and semi-skilled crafts and trades. Licensed business and industry are able to bring skilled and semi-skilled non-Bahamian labour into Freeport if no Bahamians are available, with prior approval of the Bahamas Immigration Department. These businesses must demonstrate satisfactorily to government their willingness to employ, train and promote Bahamians where possible at all levels of employment.



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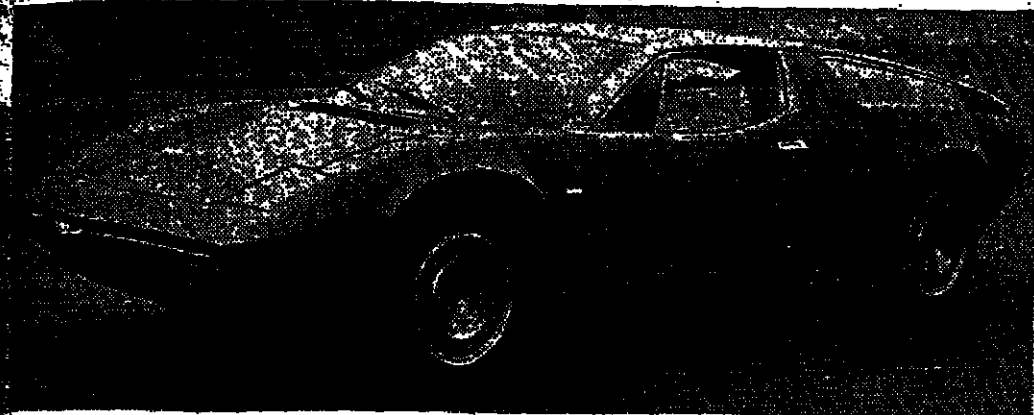
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Maserati, the Italian specialist car manufacturer which is now linked to Citroën, has announced a new 175-mph mid-engined two-seater sports coupe, the Bora. Like its rivals, Ferrari and Lamborghini, Maserati has adopted a central engine location for the Bora (above) because it provides superlative road-holding.

The problems of noise and poor luggage

space, which have affected many mid-engined cars, have been tackled and the company's engineers claim that they have found some novel solutions.

The body has been styled by Giugiaro to provide minimum air resistance at speeds over 150 mph while still permitting reasonable visibility. The Bora will be powered by Maserati's own 4.7-litre, V8 engine, already used in the Mexico and Indy.

Self-help urged for commercial radio

BY RAY DAFER

REDIFFUSION Radio Holdings, the consortium of Rediffusion formed to operate commercial radio stations, yesterday came out in favour of cross-subsidisation in the proposed new commercial radio network.

Mr. Graham Binns, chief executive, said at a reception in London that there were many places serving commercial stations of all kinds which could not be supported viably without financial help from the richer stations.

Accepting that a national advertising revenue of £10m. a year was likely, Mr. Binns said his company would press for an increase in advertising time during peak periods. If the norm was six minutes in the hour, then 10 minutes would be available during peak hours, he said.

Rediffusion Radio Holdings is using for ownership or part ownership of stations as well as providing a technical service for other operators. The company was not commenting further on its plans "until we know the rules of the game which at the moment are unspecified."

In general terms, however, the company envisaged stations providing programmes which were "neither commercial BBC nor pop-culture vendetta." "Everybody seems to be thinking in terms of radio radio, that is not what we are after," Mr. Binns said.

Mr. Nicholas Mellersh, assistant to the chief executive, said that the company supported the concept of a London commercial station providing nothing but news and current affairs programmes. Such a station would then be able to provide a national news service to the rest of the country on an agency basis.

Correspondence course in packaging technology

BY ELSBETH GANGLIN

THE Institute of Packaging—the professional organisation for packaging technologists in the U.K.—is to start what it claims to be Europe's first correspondence course in packaging technology.

This will be run in collaboration with the National Extension College, Cambridge, from next January.

The Institute of Packaging, set up 24 years ago, has a mere 3,000 members and an annual income of about £22,000. It paid some 300 to get the correspondence course off the ground and reckons at it will cost £25,000 or £27,000 in the first two-year course. If demand comes up to expectation—a estimate is for 200 U.K. firms a year, plus overseas participants—the cost should be covered within three or five years. Afterwards it is expected to become self-supporting.

The course is aimed at the many packaging people—potential technologists—who live in "little pockets of the U.K., where you could never mount a course," it was said yesterday. For the rest, the Institute runs residential courses and a variety of seminars.

The new scheme, apart from reaching a wider audience, will also provide a "unifying influence." Trainees can take the Institute's membership examination at the end, and there are tutors who will ensure "good feedback." Only about one-third of the Institute's present members have passed the examination.

The correspondence course will consist of 26 lessons, normally covered within three or five years. A survey on behalf of the Commission is being conducted to find out how married people manage their property and what

TriStar No. 4 takes off

By Michael Donne, Aerospace Correspondent

THE fourth Lockheed TriStar jet airliner, powered by Rolls-Royce RB-211 engines, has successfully made its maiden flight from Palmdale, California, it was announced yesterday.

The test—on Sunday—brought to 710 hours the number of flight test hours accumulated by the TriStar programme. Certification of the airliner for passenger-carrying service is set for April 15 next. A fifth TriStar is due to join the flight test programme before the end of this year.

The fourth flight test aircraft will log 265 hours towards the overall total of 1,674 hours required for certification of airworthiness. It will primarily be involved in testing the operation of the navigation, communications and passenger-service systems.

Meanwhile, on the production side, final assembly of TriStar Number 19 has begun at the Lockheed Palmdale works, while at Burbank, near Los Angeles, parts are now being manufactured for TriStar Number 37. First deliveries for crew training are due to be made to Trans World Airlines and Eastern Airlines next March.

In the meantime, the Lockheed salesmen are on the road, and it is hoped some new orders for the aircraft will be announced soon.

SMITH & NEPHEW IN U.S. DEAL

Agreement has been reached in New York between Smith and Nephew and a U.S. company, National Patent Development Corporation, to set up a joint marketing company there. No details have yet been released other than that the joint company will market certain unspecified Smith and Nephew products in the U.S.

The two partners are thought to have agreed on an equal equity share in the new company. When the marketing operation is well established the question of setting up local American or Canadian production facilities may be considered.

Lowest cost building will create problems —RIBA president

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

MAKING A WIDE survey of the external and internal environmental responsibilities of the architectural profession, Mr. Alec Gordon, the new president of the Royal Institute of British Architects in his inaugural address in London yesterday, called for an effort towards designing simpler, better mannered and less egotistical buildings.

There was, he said, a need for the closest co-ordination and support for the architect, the engineer and the contractor with building and building design.

Mr. Gordon referred to the concept of "long life, loose fit" and low energy building which now had an increasing number of supporters and suggested that more facts were needed about the economics of long-life, but adaptable, buildings, in order that these should be debated throughout the profession. Then the Institute could develop a corporate view strong enough to influence both government policy and the client, particularly in the public sector the aim for lowest initial cost was laying up problems for the future, both economic and environmental. As an example he quoted the recently completed station buildings at Oxford.

"Although competently detailed the application of far too rigid cost limits have resulted in buildings mean in space and mean in materials, out of character with the general building quality in the university towns and likely to become shoddy in no time at all. I am confident that the long-term economics of the development just don't stand up."

The RIBA, Mr. Gordon said, should develop a stronger and more authoritative voice to encourage government departments and national agencies to turn away from attitudes of lowest initial cost towards those of long term value for money. The profession was not out to avoid the work of investigation and refinement, at the design stage, necessary to control costs, nor was it opposed in principle to a cost-limit system, but such must be developed so that there were opportunities for long-term value.

Questions of control

He referred to the welcome sign that responsible developers were now finding that "the better architect organisations can provide a balanced service, combining financial know-how with

German carpet factory for S. Wales

By Our Own Correspondent

CARDIFF, October 25. A WEST German-based carpet company is establishing a distribution and processing plant in South Wales because, it is stated, the location is ideally suitable for communications with other parts of the country. The factory, where 40 jobs will be created, is near Bridgend.

Mr. John Le Mesurier, managing director of the British subsidiary, Messmer UK, also said it would be establishing five other distribution centres in other UK development areas.

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The Areas for Expansion

Get the facts from the Department of Trade & Industry

'Better deal' for wives urged

FINANCIAL TIMES REPORTER

JUDICIAL CHANGES in the law give greater property rights to widows and divorced wives, a report in a Law Commission paper, published today, urged. The Commission tentatively suggests that £2,000 or one-third of the estate (whichever is the greater) should be the level of inheritance.

Under the third scheme, whether a marriage was ended by death or separation, the husband and wife would share their property equally and in accordance with certain rules.

Regardless of whether any changes were to be adopted, the Commission argues that some development of existing law is necessary. Fairly detailed proposals to improve and extend the existing rights of a wife to obtain maintenance or support from the husband or his estate are advocated within the existing framework of family property law.

A survey on behalf of the Commission is being conducted to find out how married people manage their property and what

A second idea, which would apply to every marriage ending in death, would give the surviving partner an automatic right to inherit part of the dead person's estate. The Commission tentatively suggests that £2,000 or one-third of the estate (whichever is the greater) should be the level of inheritance.

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Advertisers demand longer ITV hours

THE INCORPORATED Society of British Advertisers yesterday called for an immediate extension of Independent Television hours. It sought "immediate" removal of the levy on TV advertising and spoke of the necessity for any second commercial channel to be commercially competitive in sale of air time with any other commercial channel operating in the same region.

Before any irreversible decision was made on the future of television, it said, the Government should take evidence from all interested parties, including the advertisers.

Advertisers would prefer "a good solution a year or two later rather than a less good solution earlier."

UNEMPLOYMENT PROBLEM IN CHESTERFIELD

Sir John Eden, Minister for Industry, will visit Chesterfield next month to see for himself the problem facing the town which has a 10 per cent unemployment rate. The borough council has already unsuccessfully tried to get intermediate area status.

Chesterfield Corporation is also sponsoring a conference later this year to discuss the unemployment situation in the area and of attracting new industry.

BRADFORD ACTION ON CREDIT PROBLEM

Bradford Chamber of Commerce has decided to take up the problem of extended credit with the Yorkshire and Humberside Chambers of Commerce and the Association of British Chambers of Commerce.

This follows a plea from a Bradford concern for action to end the unfortunate practice. A letter stated there was a tendency, particularly among larger enterprises, to take credit beyond the normal month, and it was suggested that there be a declaration of intent from the larger industrial combines that from January they would be prepared to pay accounts on the due date.

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Liverpool and Merseyside

FINANCIAL
TIMES
SURVEY

Boroughs co-operate for common good

By ROY HODSON, Regions Editor

Thanks to a new observation tower soaring hundreds of feet above Liverpool's city centre in that direction the sun also and a vigorous clean air campaign which has put back dairy lands of Cheshire where sparkie into the scene you can have a fine Liver bird's view of Merseyside these days. The contrasts are vivid and in some cases startling. Down below the immediate docks are old and little-used, left-overs from the sailing ship era. Yet over towards the mouth of the Mersey at Seaford the port's biggest-ever docks and container berths scheme is nearly ready to take shipping.

The Mersey itself looks serene and rather indolent. Because of the changing pattern of sea trade fewer ships are to be seen on the river these days. Yet those two supertankers discharging oil at the Tranmere terminal are helping to notch the up healthy increases in the port's annual tonnage figures. Over on the horizon the faint line of the Anglesey coast is from St. John's Precinct tower a reminder that within a few years the Very Large Crude Carriers will be using deep-water moorings out there. The traditional habit, or institution enterprises hungry for all this is being allowed to linger uncrude oil, the refineries and challenged into the 1970s. The petro-chemical plants of Elles-

mere Port and Stanlow, are smoky blotches up the river. In that direction the sun also catches the green of the rich dairy lands of Cheshire where top executives live in cosy villages.

Below in the city there are some empty factories, warehouses, and mill buildings. Look along the river, however, and you can see a new airport runway and three new car plants: Vauxhall on the Cheshire bank and Ford and Triumph on the Lancashire side.

Slums bulldozed

Wide areas of the old Liverpool slums have been bulldozed, giving the city a piebald appearance. Yet new housing estates ring the city's outskirts while across the Mersey the Wirral peninsula is bristling with new property.

Looking out at Merseyside from St. John's Precinct tower you are seeing a city region where the pace of change is furious: where hardly a single traditional habit, or institution enterprises hungry for all this is being allowed to linger uncrude oil, the refineries and challenged into the 1970s. The petro-chemical plants of Elles-

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Ebullient leader

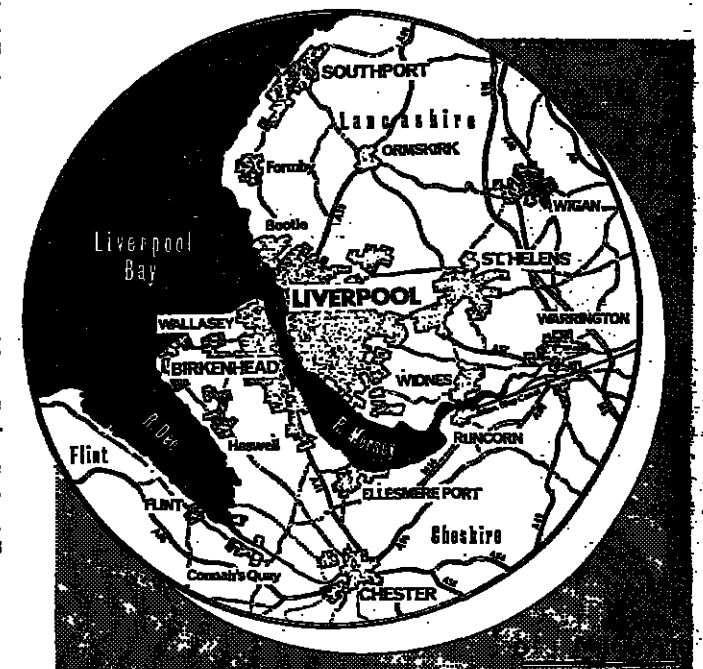
"Mac," who has proved himself an ebullient city leader with the sort of style the Liverpoolian likes to see, set off for the Eastern Seaboard earlier this month with a delegation determined to "sell Merseyside." The point has been well taken by the other Mersey towns. The Macdonald Steward mission, although sponsored by Liverpool, is trying to create jobs everywhere on Merseyside. The city region concept has come a long way.

Another idea now being discussed to help Merseyside is to establish an office in London which would represent the city region and promote it. Naturally, it is already being dubbed the "Scouse House."

The Government's efforts to provide more short-term employment by such devices as stepping up building and construction contracts already in the pipeline look like having some impact on Merseyside and may well check unemployment from rising significantly above the present level. But to find sufficient work permanently to reduce the unemployment figures to acceptable levels the area desperately needs new industries and a great many extensions to the industries already there.

Although the new car factories look so impressive and, together with the component industries linked with them, now account for nearly 50,000 jobs, they really represent early steps in Merseyside's long walk into manufacturing industry. Traditionally the area has been geared to commerce, the port, and the service industries. All too often one step forwards towards manufacturing has been followed by an involuntary step backwards as another of the established Merseyside enterprises has closed or cut back its work force. And as far as the companies that have stayed in Liverpool are concerned new investment does not always promise more jobs. J. Bibby and

Sons have been crushing exotic seeds at the Liverpool docks since the days of sailing ships. They have just consolidated their operation by spending £2m. on a new edible oil refinery. But such is the new flexibility of their business with the consequent need for new plants in other parts of the country that their labour force is no longer concentrated on to carry through the necessary



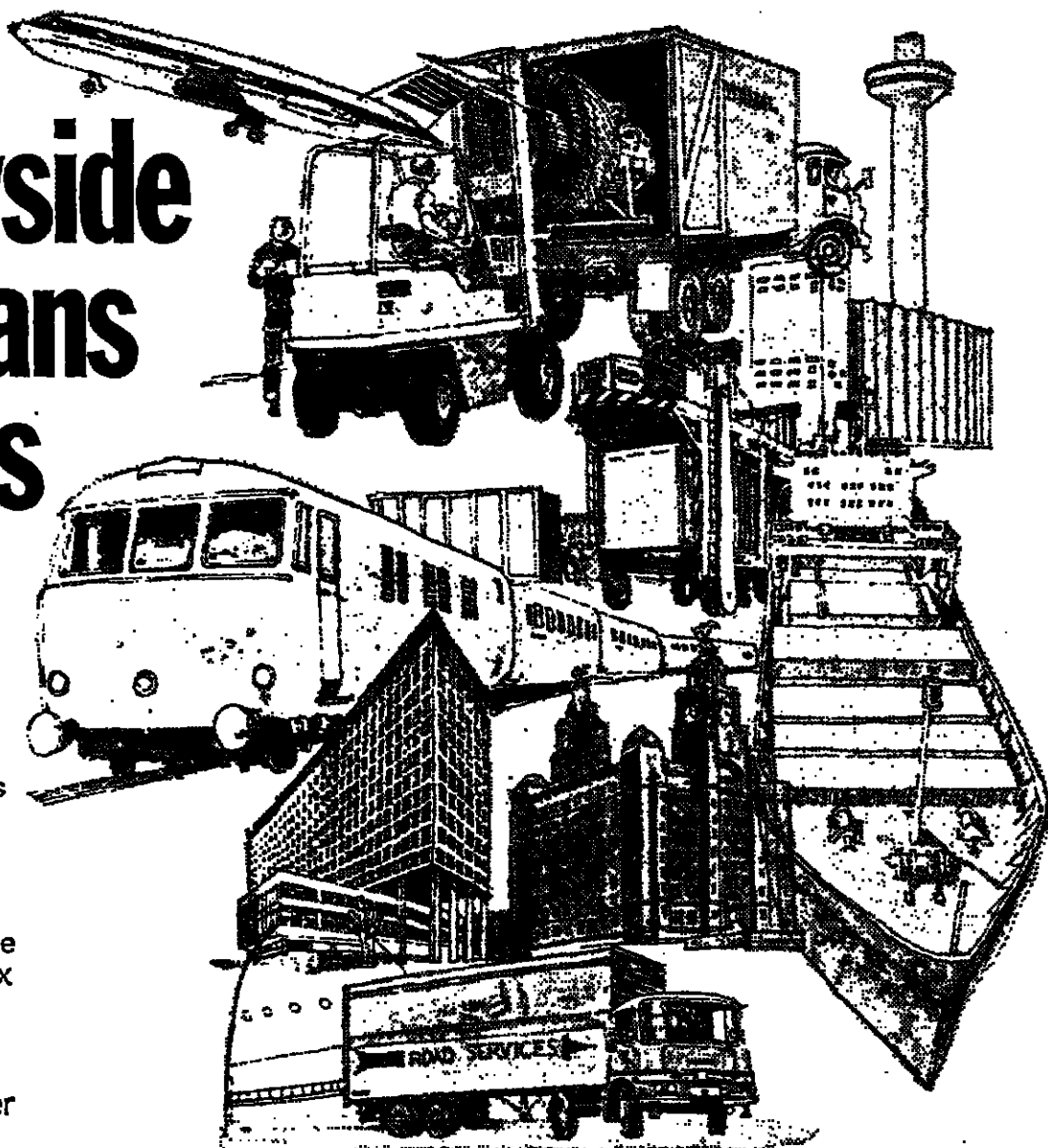
At the end of their rationalisation they will be employing fewer factory workers in Liverpool than their central office staff also based there.

Local pride

Merseysiders think fondly of Bibbys and a handful of other companies as their "own firms": the ones that are still managed locally. One of the things local pride has found it hardest to take has been the remorseless removal of management from Merseyside to London or to the U.S. On that score the future looks brighter. It is clear that national and international companies operating in the area are more anxious than they were to understand local idiosyncrasies and to cater for them benevolently. The next wave of manufacturing industry to roll into Merseyside, whatever it may be, is unlikely to repeat the mistakes made by the car companies in the early 1960s. One car executive told me. "The Liverpool man is

improvements in communications has been found and, more important, sustained. The second Mersey tunnel is now open, a third is being built, and a bridge is already being discussed. Meanwhile a Liverpool underground railway will, by the mid-70s, link all the services which now stretch into Lancashire and Cheshire to provide arteries for Merseyside. In the matter of central redevelopment the city's touch has been less certain. But by simplifying the ambitious schemes for by areas the corporation has managed to save the programme from clogging up and, at the same time, retain the interest of private enterprise development. Bootle, Crosby, Birkenhead, Wallasey, Runcorn and Ellesmere Port are all at various stages of radical improvement which is making them less dependent upon Liverpool and more for members of the Mersey conurbation. Given a fair wind from the national economy for the future.

Merseyside really means business



A New Port that means business

The Port of Liverpool is known as Britain's front door—and that's how it intends to stay. In December this year the first berth in the massive £40 million Seaford Dock Complex will come into operation. When the complex is completed it will offer ten super berths for container ships, bulk grain carriers, refrigerated meat vessels and packaged timber carriers.

A New Commercial City that means business

Liverpool—Britain's biggest deep-sea export port—is situated right at the heart of the North West's industrial region. With its latest modern equipment it provides the easiest and quickest way for manufacturers to reach the world's export markets. Merchant banks, commodity exchanges and insurance brokers offer on-the-spot service and a first-class road and rail

network provides direct access to Britain's home markets.

The area is ripe for development. A vigorous programme of replacement, renewal and reorganisation is putting new heart into a great city. A city which is vibrant and pulsating. A city with new hotels and office developments to cater for the needs of modern commerce, a comprehensive shopping centre with a new precinct, ambitious housing projects and pleasant parks that mirror Merseyside's green countryside. Many industrialists and investors have already spotted the signs of

a re-awakening. And they're moving in—fast. They'll all be bringing business to Merseyside. Big business. They all realise that Merseyside has so much to offer.

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LIVERPOOL AND MERSEYSIDE II

Good long-term future for Mersey docks

By A Correspondent

On December 11 last year, as a port. For the final arbiters, then Mersey Docks and the shipping companies, there is no doubt that the Mersey Harbour Board fell into the strong economic advantage in hands of the Receiver. In its the available outgoing cargoes. But full year of operation it had. Finally there is Seaforth—the made a loss of over £3m. The £40m. dock complex now near-Board was unable to redeem ing completion, which will cater some £5m. of bonds due to for container traffic and for mature at the end of the year. special imports. Some 9m. tons The port had a capital debt of of earth were moved to con- over £93m. It was broke. struct it. It will have facilities

It could not make sufficient for grain and meat cargoes as money to pay the interest on its well as container berths. Its massive debts, let alone repay amenities will include a com- them. The impossible seemed to puterised cargo clearance have happened. The gilt-edged system, a ramp for roll on/roll stock had gone rusty. In the off traffic, and two large sheds previous decade the shipping for standard break bulk cargo tonnage handled at Liverpool storage. This month, final had decreased by 16 per cent, approval has been given for a against a national average rise link road to feed out of the of 5 per cent. In a letter to their dock directly into the national anxious security holders, the motorway grid.

Board explained why. The Seaforth may not be the dwindling throughput, they said, saviour of the port that some had stemmed from competitive would imagine. Indeed, the in- pressure, the inadequate com- creased capacity that it will petitive power of the port, bad bring can only be put to effective industrial relations and obso- and profitable use if industrial relations continue to improve, if

Indeed, one would have been the present marketing operation forgiven for assuming that attracts the expected custom, and if the non-profitable port operations can be shed.

What it has done, however, is to continue the trend where the Mersey Company works in close liaison and partnership with its customers—providing them with special facilities backing the dock itself. The company builds and rents the necessary plant to the importers as well as to the shipping lines themselves. This puts less strain on the finances of the port, and has the particu- lar advantage of tying the cus- tomer to Liverpool for a longer period of time. If you have, custom-built, trouble-free speci- alist plant, you think twice about taking your ships away.

Now constituted as the Mersey Docks and Harbour Company, it is to make a profit. The port will survive.

New company

There are four particular reasons why this is so. First is the constituting of the port as a statutory company itself. Whatever suspicions there might be of previous bad man- agement, the old Board was run almost as cosily as the Civil Service. Many of the staff had voted nowhere else, effective in shipping was unknown, and profitable facilities were offered for prestige—or perhaps because nobody had worked out whether or not they made money.

The new company, which came into being on August 1 this year, has to operate in quite a different way. It has until the end of 1973 to pay its way, though not necessarily to pay its debts. Under the stewardship of managing director George Brimyard (a transport expert) it has already effected enough ideas on im- proved efficiency to fill a note- book.

Examples where considerable savings are due to be made are the old South Docks, busy but inefficient. These are to be used, and their work trans- ferred to other parts of the port. There is the matter of running down the expensive railway system, of spend- ing less than the current £10,000 a year on police security. There are due to be administrative cut-backs, and—important—a reappraisal of unprofitable operations. As years.

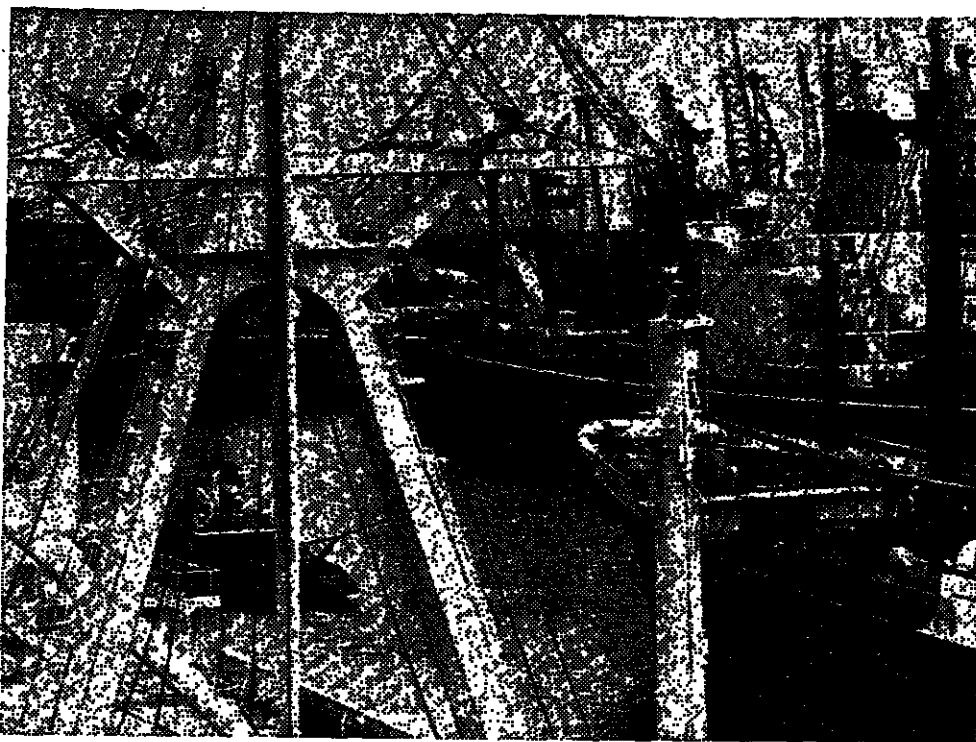
Brimyard says: "We want business, not just any- body's business."

The second factor concerns moved industrial relations. It is ironic that the beneficial notice if one ship in Liverpool gets of decasualising the is idle, whether or not the other is in 1967 had scarcely had 69 are working. They will gasp at work before the previous at the size of the port's capital and collapsed. In common debt and at its previous losses. a other British ports, Mersey- has brought its 10,000 dock- ers under 15 licenses em- ployers. Where previously there was anarchy of simple labour- ing, often for less than a day, the men have an employer can recognise, shop- wards they can turn to for- aid, and massively improved local conditions.

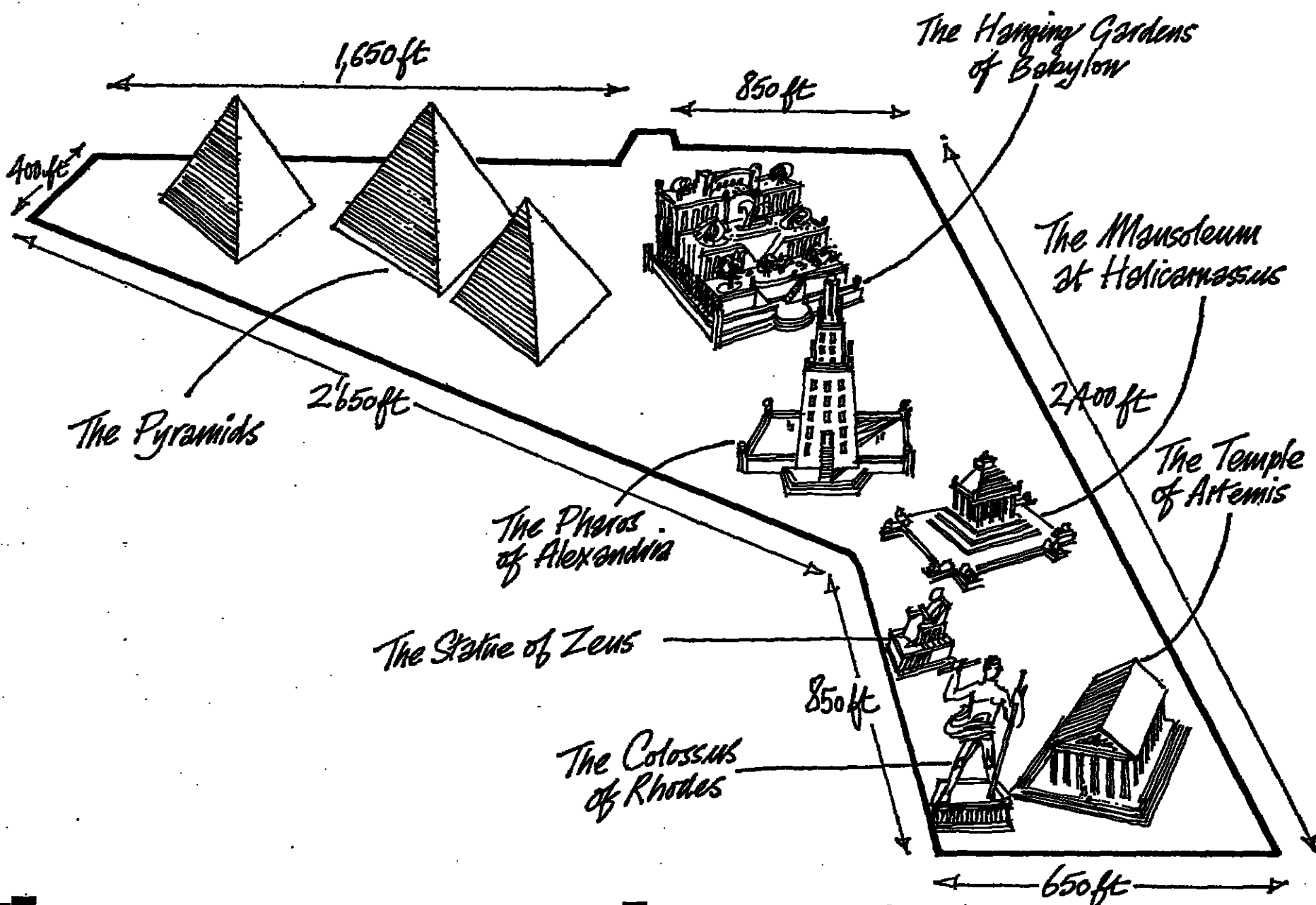
Local dispute

his has helped Liverpool be- come one of the few ports in country to be able to offer customers a 22-hour work- day. This means that a ship can load or discharge cargo at the maximum speed and out any loss of efficient- ly. After a year of intense negotiations between the men and the employers, the typical has been shortened from eight hours. As most of the local affairs, the fact is that the shorter hours lessen the tension that in- tensity has produced lightning as and walk-offs.

a third factor is the estab- lishment of a strong and aggres- sive marketing division. Over- all in the geography books the fact that the 100-mile island of the port holds half the manufacturers in the country, and a third of the population. From the view- point of both of exporting and of it is that they receive Govern- ment, the hinterland is key ment subvention in one form Liverpool's future prosperity or another.



Gladstone Dock, Liverpool.



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It means a new yardstick by which all other European ports will be judged. Already Britain's biggest deep sea export port, keeping conventional cargo moving to every corner of the globe, Liverpool enters a new era with a £40 million investment to speed the cargoes of the future.

Four deep water container berths with all the room needed for rapid transit. New machinery to break all handling records, and in

the spring of 1972 a new grain terminal which can handle 2 million tons of grain a year and accommodate 75,000 ton bulk carriers. And five more super berths that will be equipped for refrigerated meat vessels, packaged timber carriers and more container ships.

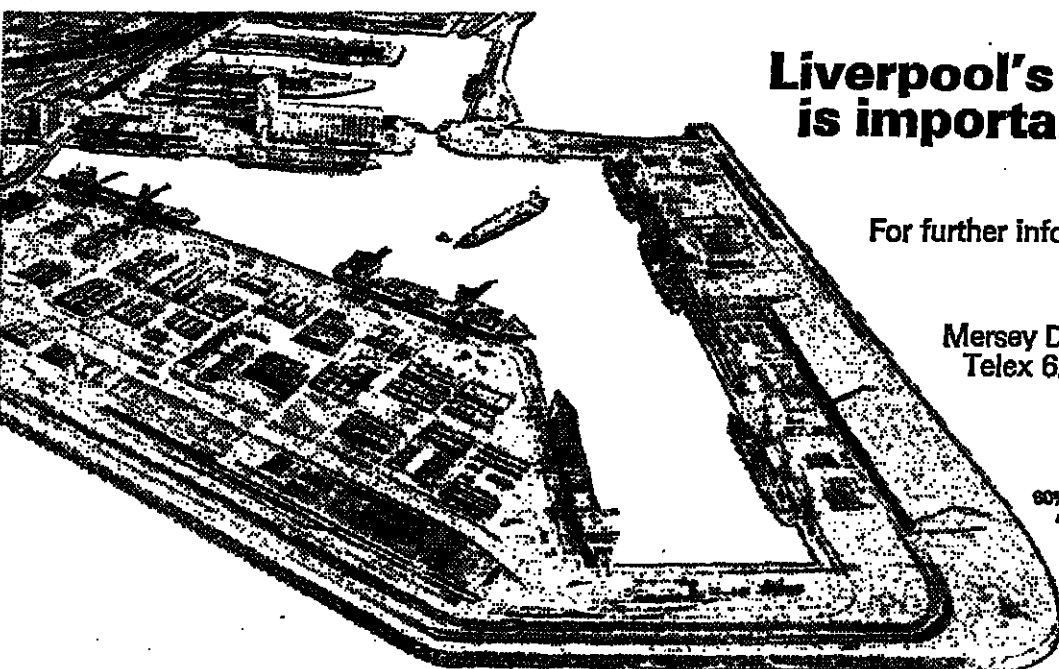
Elsewhere in the Port we are building more new berths special- ising in break-bulk cargo, keeping ahead of every development in sea transport.

Britain's new front door is now run by a new Company and a completely revitalised administration—charged with the task of putting Liverpool back in the top rank of world ports and safe- guarding the future of Britain.

Liverpool's New Port is important news to you!

For further information, contact the Marketing Division.

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LIVERPOOL AND MERSEYSIDE III

Finance institutions enjoy regional advantages

By SANDY McLACHLAN

The financial centre of Liverpool Exchange has 116 longer want to touch. However, character of the area some firms in Liverpool, too, brokers are tend to specialise in traditional Liverpool activities of shipping and insurance. The affair between Liverpool and insurance is a fascinating historical study. The industry first started in Liverpool in the late 18th century to meet local needs, and the origins of Liverpool as an insurance centre are in fire, although marine insurance is obviously older. It was swingeing rates charged by London firms on Liverpool risks which prompted local businessmen and merchants to club together to underwrite their own risks at better rates.

In the 19th century, insurance flourished in Liverpool, spurred by the opening, in 1823, of the Liverpool-Manchester railway line, which enhanced the city's position in commerce and trade. The late 18th-century and early 19th-century companies did not, in the main, survive long, but in the 1830s the industry got a firmer footing. The Royal was founded in 1845, and grew throughout the rest of the century by the process of increasing business and acquisitions common throughout the industry.

Gradually, however, changes within the insurance industry which changed the character of the business first from regional to national, and more recently from national to international, undermined Liverpool's position as an independent insurance centre. The large number of independent companies dwindled rapidly as the process of mergers within the industry accelerated. Many of the Liverpool companies were absorbed into the Royal, but others went to outside insurance groups, for example, the take-over of the State by the Guardian Royal Exchange.

Major presence

The Royal is now the major independent insurance presence in Liverpool, and runs the whole of its U.K. underwriting from the Liverpool office. However, even here control of international business and general policy decisions has switched to London.

Nevertheless, insurance still flourishes in Liverpool. Considerable marine insurance is done, including a substantial volume of overseas business. Liverpool no longer has its own delegation to the International Union of Marine Insurance, but the main reason for this is that closer co-operation between the Liverpool Underwriters Association and the Institute of London and Liverpool has made it more sensible to have a single delegation to represent the British company market abroad. The

chairman of the LUA is a member of this single delegation. Another arm of the insurance world which thrives in Liverpool is that of industrial life insurance. A number of companies in this field are based in and around the city.

In banking Liverpool's position suffered a symbolic decline when the city's home grown bank, Martins, was absorbed by Barclays, and its head office switched to London. However, the effects of this were greater on Liverpool pride than on anything else, and competition between the banks has in no way diminished.

Liverpool has always been heavily banked, and prior to the series of mergers between the banks the two main presences were Martins and the Midland—although of course all the major groups were represented to a greater or lesser degree.

It is possible to argue in fact that the mergers created a more competitive situation since the merger of Westminster with the National Provincial introduced a third force in the area, with Lloyds not far behind.

The loss of the only bank head office situated locally has not subjected Liverpool trade and industry to the sort of arm's length banking from London that one might have expected. This is largely due to the increasing regional decen-

tralisation which the major clearing banks themselves are pursuing as a matter of policy. All over the country, far fewer decisions have to be referred from regional level back to London, and this has compensated Liverpool to a substantial degree for the loss of its locally based bank.

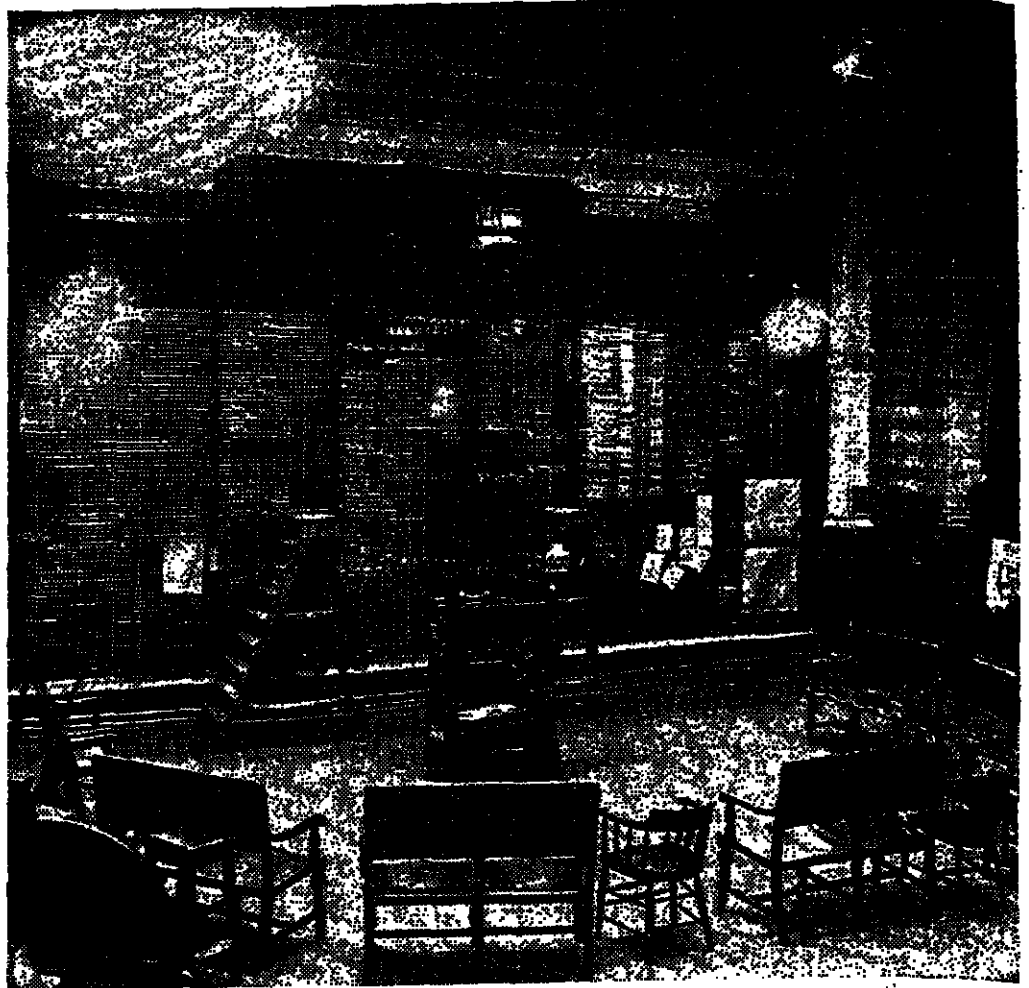
For example in the case of Barclays, only 5 per cent of decisions referred to the Liverpool head office fall into a category requiring a further reference to London, and of course the vast majority of cases are not even referred up to the local head office from branch level. These figures are probably fairly representative throughout the banks.

Well served

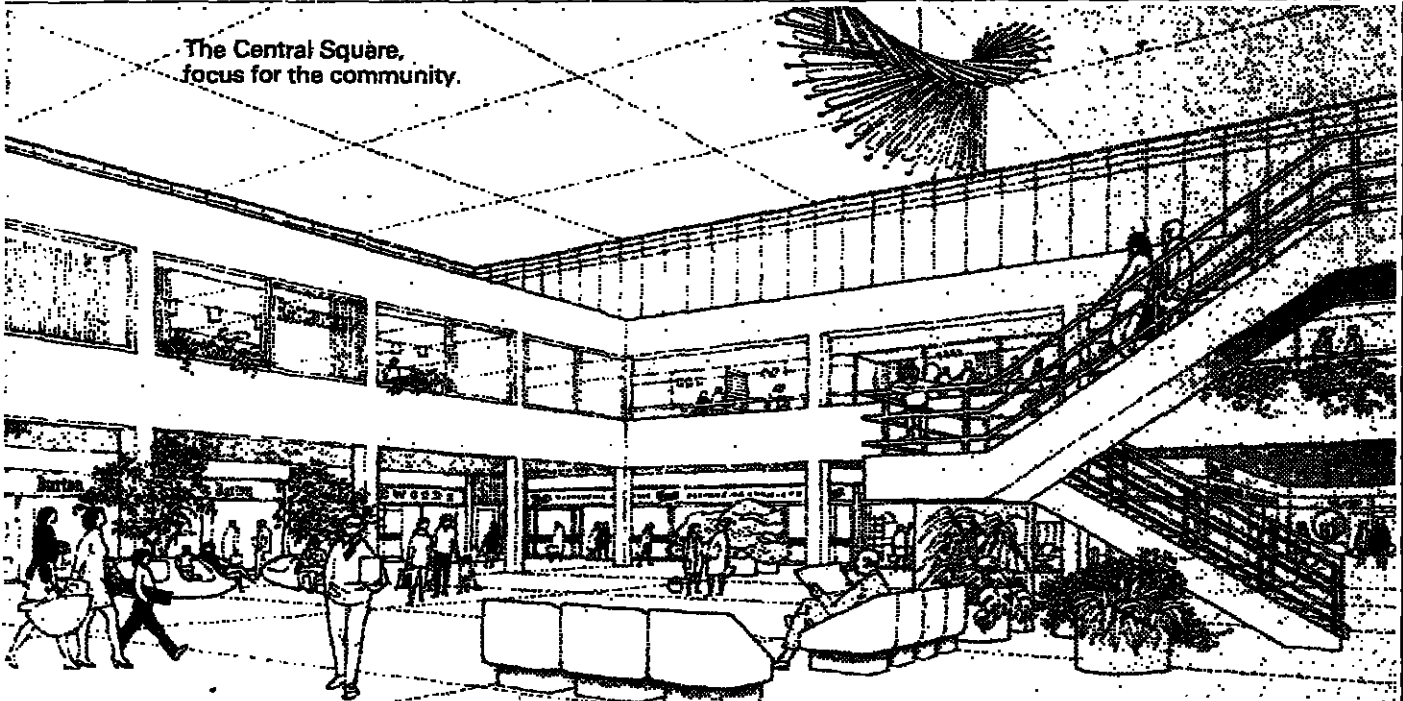
But while Liverpool is abundantly well served by clearing banks it has never attracted a great deal of attention from the merchant banking community. Barings, which has had an office there for well over 100 years, has pretty well collared the market, although Edward Bates Mounthall has an office

there, and ICFC opened up an office around three years ago. Most of the merchant banks have plumped for a base in the more central Manchester area.

Apart from its geographical position, perhaps the most distinctive feature about Liverpool is its relative lack of manufacturing activity, and its heavy concentration on service industries. With its roots in the port and the commerce springing from it, Liverpool has never developed a skilled labour pool in the way that the Midlands has. New towns and Government investment incentives have gradually attracted manufacturing industry to the area around Liverpool (including a number of U.S. subsidiaries), but indigenous businesses are still heavily biased towards the service industries. Football pools and mail order are obvious examples, but ICFC's 23m. portfolio of investments in small, up and coming companies is heavily oriented in favour of the service industries. A whole series of service trades ranging from wholesaling and retailing through warehousing and transport to printing, building, and plant hire.



The floor of the Liverpool Stock Exchange.



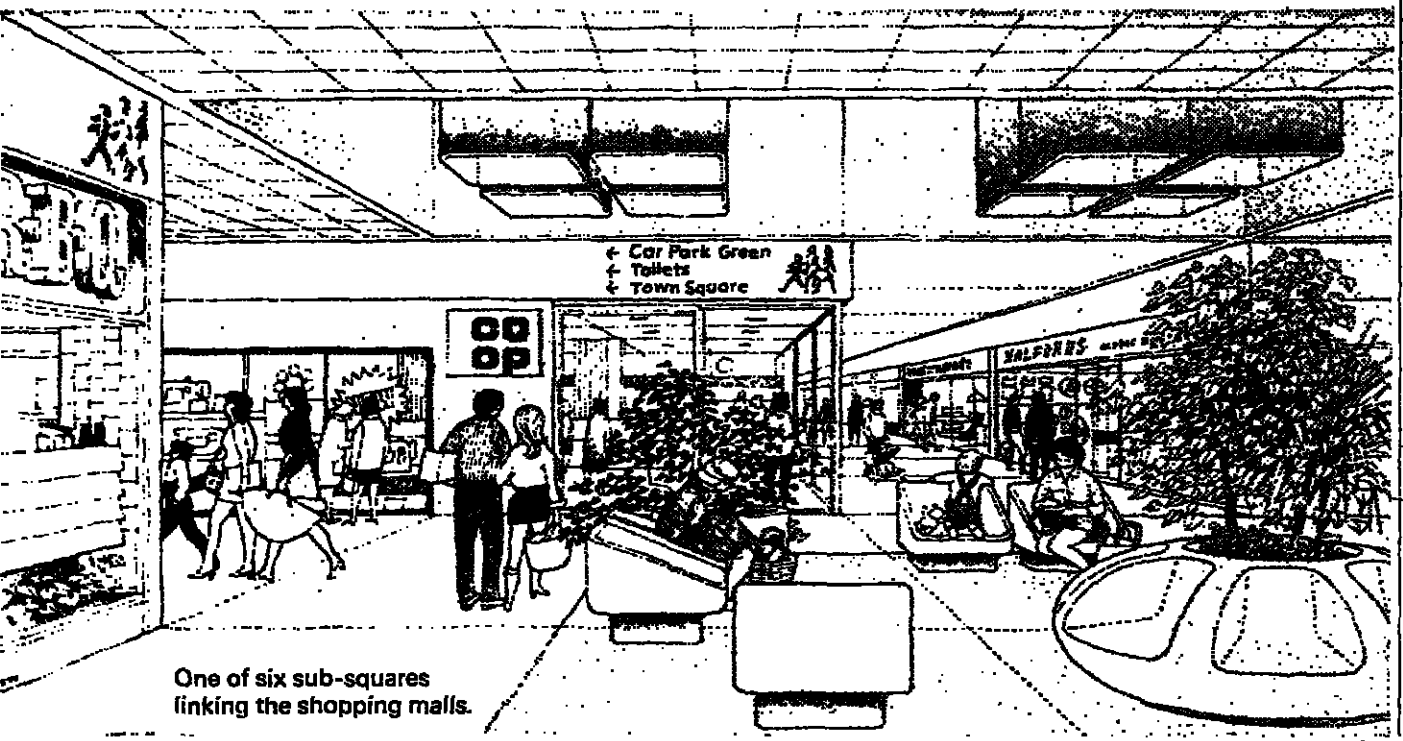
The Central Square, focus for the community.

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One of six sub-squares linking the shopping malls.

Friends and neighbours

By CELIA LUCAS

The highway system of the 70s is creating a strange paradox that is nowhere more apparent than on Merseyside.

The great new roads—the mid-Wirral motorway, the M62 to Manchester and Leeds, the M56 linking the industrial centres of Ellesmere Port and Runcorn, the M6 linkways and the city ring roads, all planned for completion by 1980—are forging the area into an ever tighter unit while at the same time encouraging the independent growth and development of the communities they bring together.

All roads may lead to Liverpool but not everyone travels them with the determination of a pilgrim to Mecca. Liverpool's neighbours see a future of greater freedom from

the conurbation, industrially, culturally and in their shopping and housing needs.

If improved communications make Liverpool more accessible and attractive they do as much and more for her neighbours, no longer content to rest in the shadow of their Big Shipping Sister on the Mersey.

Strangely, Liverpool's closest neighbour, Bootle, is the most fiercely independent of the surrounding communities. It is justly proud that the major docks of the Mersey are within its boundary—Gladstone, Ruskin, Canada, Brocklebank and part of the new Seaford dock extension, the Container Depot at Orrell, will be on Bootle land.

Bootle commuters

The proximity of Liverpool has in the past encouraged Bootle's white-collar residents to seek work in the big city—nearly 4,000 in 1966. But with the establishment of the £15m. Giro headquarters in 1968 giving employment to 2,250 people and Bootle's own massive office development—over 1.2m. square feet since 1963—a far greater range of jobs is being offered.

Crosby sees its future in the £35m. Seaford port with its huge cold meat stores and grain silos. A new road pattern to cater for the docks traffic is in the process of construction and the main Southport to Liverpool Road is being dualled.

Oddly enough, the number of extra people employed in the port will not be great and Crosby still sees itself as a chiefly residential borough, a seaside dormitory for Liverpool, where people can find a good education for their children—there are four direct grant schools in the borough—and pleasant relaxation in the 160-acre leisure area with yachting lake, parkland and miniature golf, now being fashioned out of the shoreland.

Southport, though 20 miles from Liverpool, is very much a commuter town with rush-hour trains running every 10 minutes into the city centre. The new housing development at Ainsdale, on the Liverpool road, reinforces the commuter policy of the future. The town's com-

Continued on next page

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DEPART	ARRIVE
*07.40 SX	10.15
08.30	11.15
11.00	13.35
13.00 SX	15.55
15.00	17.45
16.50 SX	19.27
17.00	19.45
*17.55 SX	20.25
18.30	21.10
19.40 SO	22.17
19.55 SX	22.35

*The Liverpool Pullman is a luxury service for the Liverpool-London route. SX=Daily service. SO=Once a week.

LIVERPOOL AND MERSEYSIDE IV

Change and challenge for managers

By ROLAND PEPPER, North West Area Director, AIC Management Consultants

In recent years some very hard things have been said about the industrial and commercial scene on Merseyside, with the troublesome docks and motor industries tending to dominate the Merseyside image. People living outside the area are often unaware of the many other activities which make up the region's economy. It would take an investigation of some magnitude to determine the whole truth about Merseyside; and, if it were done, it would certainly provide some valuable lessons for all managers and business students. However, since this information is not to hand, perhaps one might indulge in the hazardous task of passing a few opinions.

The Merseyside managers are probably little different from their counterparts anywhere else in the U.K. What does appear to be different, however, is the situation in which they find themselves and the circumstances to which their managerial skills must be applied.

Merseyside has been referred to both as a "manager's graveyard" and, by Liverpool itself, as a place of "change and challenge." Undoubtedly, Merseyside is changing. It is attempting to diversify its economy and absorb new companies, many of them technologically based, into the area. At the same time, many of the traditional businesses of the region are contracting.

Crucial factor

The managerial environment in Merseyside is compounded by many factors, but the crucial difference appears to be in their unique combination. Some of these factors are geographic, some economic and some social. Some of them are external factors which, although not generated locally, or controlled from the area, have a great bearing on the Merseyside situation. The peculiar amalgam of circumstances has produced a situation where the risks of managerial failure for the mediocre, or situationally insensitive, can be high.

One of the key factors in management on Merseyside is

Main development

The main development of Liverpool took place in the 18th and 19th centuries, when a trade was built up with the West Indies, America and the West Coast of Africa. The Industrial Revolution further stimulated the port's development and the Irish immigration problem of the 1840s and generally harsh employment conditions also left their mark. Together they left a heritage of fierce working class loyalty and a cautious approach to innovation.

A further factor in the Liverpool equation has been the influx of new industry to the area. Persistent unemployment, coupled with the decay of some traditional industries, led to the setting up in the 1930s of industrial estates at Aintree and Speke. After the war, another estate was built at Kirkby.

Since the war, under the stimulus of Government policy, there has been an influx of new companies into the area, but their assimilation was not entirely trouble-free. Even with high unemployment levels, there was some competition for certain types of labour which disturbed the established labour market and tended to force up wage rates. Again, these changes which all had an effect on the problems confronting the Merseyside manager.

With the influx of new companies, a new phenomenon became apparent—management by remote control. Some of the businesses which came to the area were small offshoots of large companies which were set up complete with executives, industrial relations policies, management styles and attitudes which were carbon copies of those used at the parent company. However, as in surgery, transplants have to be under taken with great care otherwise the classic rejection reaction is quickly provoked.

Young managers exiled to the

wilds of the North for a few short years found that they must either adapt the policies to local conditions, or pursue courses of action which were foredoomed to failure. Some companies adapted very successfully, while others attempted to force through, with disastrous results, policies which had been satisfactory in other parts of the country. In any event, the local manager was in a position from which it was difficult to emerge with much glory.

The case histories of some of the unsuccessful companies are interesting, if depressing, studies. A little while ago, a very successful southern company moved to the North, and within two years was on the point of insolvency. The directors of the company were very bitter about their failure and criticised the Merseyside attitude as being responsible for their predicament. This was a simple and easy answer, but unfortunately, the real facts were a little more complex.

Labour available

For example, no real check had been made as to the availability of labour required for their operations. Operatives were given no adequate training in the work they were expected to perform. The key staff of the company had refused to move North and, indeed, had not been asked to do so until the new factory had been purchased. No calculations had been made as to the volume of business which would be required to utilise profitably, the capacity of their new, and larger northern plant. The time-scale which had been allowed to achieve the required levels of throughput was wildly optimistic and could hardly have been achieved had they been sufficiently lucky to bring their entire skilled staff North with them. In these circumstances, failure was almost guaranteed.

In addition to this influx, Merseyside, in common with many other parts of the North West, suffered from the effects of the rapidly growing numbers of mergers and acquisitions. During recent years, the takeover bid has been responsible for a great shift in industrial control from the north to the south or, possibly, sometimes to the other side of the Atlantic. This has been another factor which has introduced a feeling of remoteness into some local operations where delegation has not always been applied to the necessary degree. The effects of this are usually felt most on the industrial relations aspects of business.

Another undesirable aspect of the takeover has been the emergence of the short-term manager. Some businesses have suffered from a succession of "young men from group" who were sent north to "get our new acquisition working on the right lines." There has been a brisk turnover in this type of manager and the Merseyside worker quickly developed his own method of dealing with this phenomenon: he simply delayed actioning any instruction and eventually the visitor completed his northern exile and returned, with a sigh of relief, to the place from whence he had come.

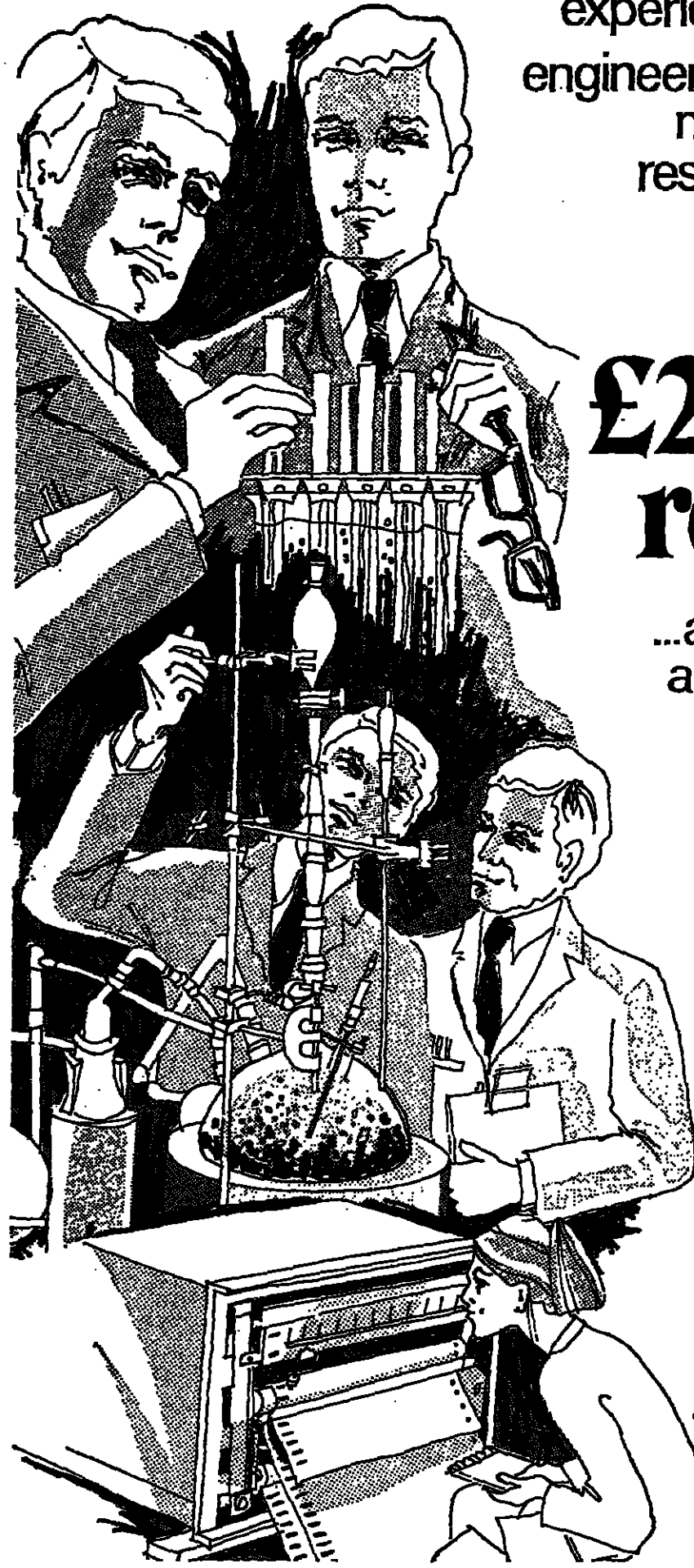
Many companies have effectively established themselves on Merseyside with the minimum of disruption to their organisations. Many subsidiary companies operate very successfully in the area without any loss of real control by their parent companies. It is usually found that these companies have based their operations on sound planning, coupled with a sensitivity to local conditions and a desire to develop their local managerial talent.

Merseyside's own description of itself as a place of change and challenge is undoubtedly in the managerial sense a fair description. Management in a dynamic situation is never easy, but it is stimulating and rewarding, both in material and satisfaction terms. Merseyside is only a manager's graveyard in the sense that the weak perish so that the robust can flourish. The more one considers the situation, the more one tends to the view that maybe it is not a graveyard at all but a management birthplace for a better breed.

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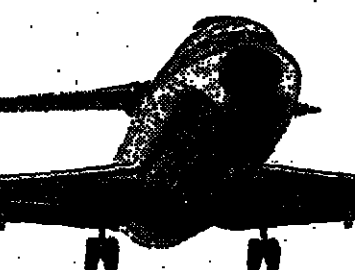
Neighbours—(Cont'd.)

Continued from previous page. Commercial future lies in its high-class shops which, as Liverpool admits, often lure the North Merseysiders more than those of the big city and in its elegance as a seaside town so near to and yet so different from Blackpool.

At present Southport has an estimated 2m. day visitors over the summer months. But plans are afoot to break into the package holiday business and negotiations to launch a "Southport package" and add to the 8,000 weekly staying visitors are taking place with the North West Tourist Association and Ribbles Motor Services.

South of the Mersey the towns of Wallasey and Birkenhead are trying to redress the imbalance of homes to jobs. By tradition territory towns to Liverpool rivaling between them some 3,000 workers for the city, they are now putting greater emphasis on their own industrial development and shopping centres.

Not that Birkenhead, one of Cheshire's two largest boroughs and a major industrial and



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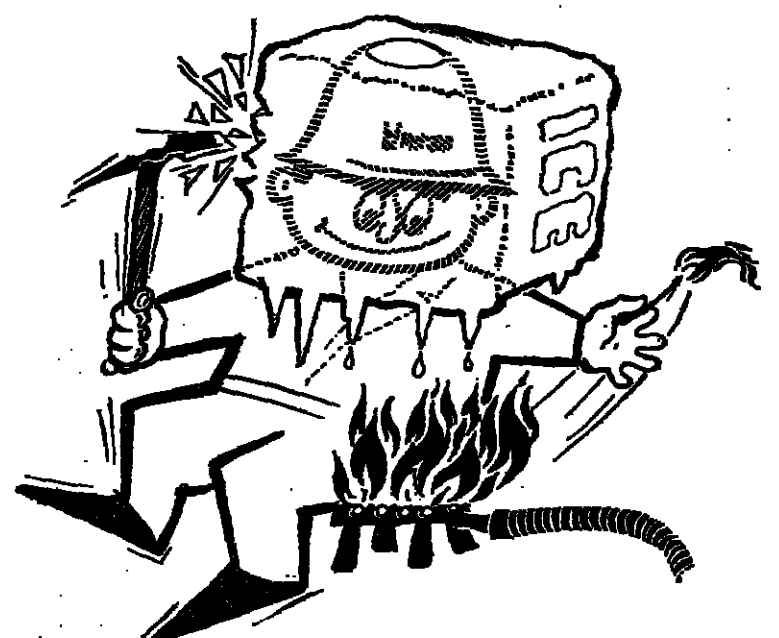
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Chester's place

Chester, nearer to Liverpool by two miles than Southport, is yet in no way a dormitory town. A city in its own right, with its own excellent repertory theatre, it relies hardly at all on Liverpool and feels almost totally aloof from Merseyside. Its relationship with Liverpool is more that of the counter-attraction drawing the big spenders from an area reaching over the Wirral and beyond the Mersey to its high-quality shops. The city's retail turnover per head of population is higher than that of Liverpool or Manchester.

With all the independence and development plans of its neighbours Liverpool might be excused for feeling dwarfed. But a proud city with an impressive record in industry, commerce and culture, Liverpool can grant achievements to others without being in any way diminished.

Since 1961 Liverpool's population has decreased by 139,000 and its number of jobs by 8,000. Shoppers, too, have been lost to Southport, Chester and the new shopping centres. But the city is undergoing a change, not a decline. Industry, once centralised, is now diversified. Overcrowding in housing offices and factories has been reversed. The shopping area is being remodelled. And even Chester with its rival attractions of river, Roman walls and flourishing theatre cannot displace Liverpool as a cultural centre for music, theatre and art. Nor can any local football team rival the popularity of Liverpool and Everton whose fans from villages in Merseyside and beyond line up every at home Saturday for the coaches that will take them to the centre of their world.

MONEY + EXCHANGES

Small assistance

NEW YORK, Oct. 26

State Bonds were narrow and mixed.

Trading was fairly active in the Foreign sector. Dollar stocks were steady, while German and French were steady, while Dutch stocks were generally well maintained.

STOCKHOLM—Again irregular.

OSLO—Firmly trend.

COPENHAGEN—Firmly trend.

VIENNA—Closed yesterday.

JOHANNESBURG—Price drifted lower in quiet trading.

MINING—Gold Producers, and other Metals and Minerals, Wines and Consolidated Murchison.

In Collieries, Tavistock declined. Banks were lower.

TOKYO—Market declined.

TOKYO—Trading—firm. (75 shares) and liquidation as it became reserved following UN decision to admit the People's Republic of China and exclude Taiwan.

Natsumitsu Electric Ind—

the morning. Rates fell sharply after the authorities' intervention and the range at the close was 2 per cent to 4½ per cent. In the inter-bank market overnight loans opened at 5½ per cent to 5¾ per cent. The rate fell to 3 per cent by late afternoon and closed at 1½-3 per cent.

ment that it would cut colour production. Sony lost Yen 48,238. Tateishi Electronics was down Yen 15.4 million, and Electron dipped Yen 11 at 694. Pioneer was lower on a P report that it would offer some 100 new subcompact models. Insurances, Machinery, Oils and Pharmaceuticals were all generally easy.

Some stocks which seek to expand with China edged up. They included Nissan Diesel and Hino Motor.

Yokohama Railway was up Yen 2 at 234.

Constructions and Dredging tended to dip.

AUSTRALIA—Mining shares continued to decline in line with a heavy government budget leading to the redefining of "Speculative" shares. Oil was mixed, Industrials remained quiet.

Western Mining lost 9 cents at \$2.35.

Among Coppers, Bungalua shed 8 cents to \$2.10, New Boral dipped 20 cents to \$7.00. Hamley gave way cents at \$2.52.

Among "speculatives," Fordon gained 70 cents to \$16.00, while Boral Resources fell 10 cents firm at \$3.30, despite some adverse predictions. Select rose 5 cents at \$1.10, while slight gains were shown by Southland 30 cents and Robe River 76 cents.

In Oils, Timor lost 3 cents at 27 cents and Ampol Exploration 3 cents at 97 cents.

Among "Thieses" Huns fell 10 cents to \$2.10.

[illegible][illegible]

Investment \$ Premium
(based on \$2.40 per £1)
19½% (19%)

[illegible]

Oct. 26	DM	-	%
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[illegible]

DATE	DESCRIPTION	AMOUNT	CHECK NO.	BANK
10/1/78	DEPOSIT	100.00		CHASE
10/5/78	PAYROLL	50.00	101	CHASE
10/10/78	RENT	25.00	102	CHASE
10/15/78	SALES	75.00	103	CHASE
10/20/78	UTILITIES	10.00	104	CHASE
10/25/78	DEPOSIT	150.00		CHASE
10/30/78	PAYROLL	50.00	105	CHASE
11/5/78	RENT	25.00	106	CHASE
11/10/78	SALES	80.00	107	CHASE
11/15/78	UTILITIES	10.00	108	CHASE
11/20/78	DEPOSIT	160.00		CHASE
11/25/78	PAYROLL	50.00	109	CHASE
11/30/78	RENT	25.00	110	CHASE
12/5/78	SALES	90.00	111	CHASE
12/10/78	UTILITIES	10.00	112	CHASE
12/15/78	DEPOSIT	170.00		CHASE
12/20/78	PAYROLL	50.00	113	CHASE
12/25/78	RENT	25.00	114	CHASE
12/30/78	SALES	100.00	115	CHASE
1/5/79	UTILITIES	10.00	116	CHASE
1/10/79	DEPOSIT	180.00		CHASE
1/15/79	PAYROLL	50.00	117	CHASE
1/20/79	RENT	25.00	118	CHASE
1/25/79	SALES	110.00	119	CHASE
1/30/79	UTILITIES	10.00	120	CHASE
2/5/79	DEPOSIT	190.00		CHASE
2/10/79	PAYROLL	50.00	121	CHASE
2/15/79	RENT	25.00	122	CHASE
2/20/79	SALES	120.00	123	CHASE
2/25/79	UTILITIES	10.00	124	CHASE
2/30/79	DEPOSIT	200.00		CHASE
3/5/79	PAYROLL	50.00	125	CHASE
3/10/79	RENT	25.00	126	CHASE
3/15/79	SALES	130.00	127	CHASE
3/20/79	UTILITIES	10.00	128	CHASE
3/25/79	DEPOSIT	210.00		CHASE
3/30/79	PAYROLL	50.00	129	CHASE
3/31/79	RENT	25.00	130	CHASE
4/5/79	SALES	140.00	131	CHASE
4/10/79	UTILITIES	10.00	132	CHASE
4/15/79	DEPOSIT	220.00		CHASE
4/20/79	PAYROLL	50.00	133	CHASE
4/25/79	RENT	25.00	134	CHASE
4/30/79	SALES	150.00	135	CHASE
5/5/79	UTILITIES	10.00	136	CHASE
5/10/79	DEPOSIT	230.00		CHASE
5/15/79	PAYROLL	50.00	137	CHASE
5/20/79	RENT	25.00	138	CHASE
5/25/79	SALES	160.00	139	CHASE
5/30/79	UTILITIES	10.00	140	CHASE
5/31/79	DEPOSIT	240.00		CHASE
6/5/79	PAYROLL	50.00	141	CHASE
6/10/79	RENT	25.00	142	CHASE
6/15/79	SALES	170.00	143	CHASE
6/20/79	UTILITIES	10.00	144	CHASE
6/25/79	DEPOSIT	250.00		CHASE
6/30/79	PAYROLL	50.00	145	CHASE
6/31/79	RENT	25.00	146	CHASE
7/5/79	SALES	180.00	147	CHASE
7/10/79	UTILITIES	10.00	148	CHASE
7/15/79	DEPOSIT	260.00		CHASE
7/20/79	PAYROLL	50.00	149	CHASE
7/25/79	RENT	25.00	150	CHASE
7/30/79	SALES	190.00	151	CHASE
7/31/79	UTILITIES	10.00	152	CHASE
8/5/79	DEPOSIT	270.00		CHASE
8/10/79	PAYROLL	50.00	153	CHASE
8/15/79	RENT	25.00	154	CHASE
8/20/79	SALES	200.00	155	CHASE
8/25/79	UTILITIES	10.00	156	CHASE
8/30/79	DEPOSIT	280.00		CHASE
8/31/79	PAYROLL	50.00	157	CHASE
8/31/79	RENT	25.00	158	CHASE
8/31/79	SALES	210.00	159	CHASE

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Net dividend and yield. ^a Preference bid.

1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

HOTELS AND CATERING—Continued

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TRANSPORT

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